Daily Report

Central Eurasia

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Central Eurasia

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CONTENTS

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INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 8 Aug 1

RUSSIA INTERNATIONAL AFFAIRS

U.S. Serviceman Detained in Krasnoyarsk Released *[ITAR-TASS]* 2
Yeltsin Intvites Tudjman, Milosevic To Discuss 'Crisis' 2
Reviews Meeting With Kozyrev *[ITAR-TASS]* 2
Milosevic Yet To Reply *[ITAR-TASS]* 2
Tudjman Agrees With All Proposals *[ITAR-TASS]* 3
Zagreb 'Willing To Talk' With Belgrade *[INTERFAX]* 3
Kozyrev May Attend if Talks Proceed *[ITAR-TASS]* 3
Deputy Foreign Minister Receives Contact Group Envoys *[INTERFAX]* 4
Demurin Reaffirms Desire for Peace in Yugoslavia *[ROSSIYSKIYE VESTI 5 Aug]* 4
Commander in Slavonia Complains of Increasing Danger *[Moscow ORT]* 4
Plans Prepared To Evacuate Troops From Croatia *[INTERFAX]* 5
U.S. Reaction to Croatia's 'Dirty Work' Viewed *[IZVESTIYA 8 Aug]* 5
Senate ABM Vote Jeopardizes START Treaties *[IZVESTIYA 5 Aug]* 6
U.S. Moves Said 'Jeopardizing' Arms Agreements *[KRASNAYA ZVEZDA 8 Aug]* 7
'Catastrophic' State of Nuclear Plants Detailed *[Hamburg WELT AM SONNTAG 6 Aug]* 8
Nuclear Energy Ministry Delegation To Visit Iran *[ITAR-TASS]* 9
Project To Proceed After Amendments *[INTERFAX]* 9
Construction of Nuclear Station in Cuba To Continue *[ITAR-TASS]* 9
Companies Prepare for Cuban Sugar-for-Oil Contract *[INTERFAX]* 10
Country Opts for Indian Arms Market Over Pakistan *[SEGODNYA 4 Aug]* 10
Journal on Attempt To 'Mend' Relations With PRC *[ITAR-TASS]* 11

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin Views Situation in Chechnya, Yugoslavia *[Moscow ORT]* 12
Yeltsin on Balkan Conflict, Elections, Chechnya *[Moscow ORT]* 12
PRAVDA Views Croat 'Aggression,' Kozyrev Approach *[8 Aug]* 13
Yeltsin's TV Address on Chechnya Evaluated *[SELSKAYA ZHIZN 5 Aug]* 13
Chechen War Seen Exposing 'State's Weakness' *[KRASNAYA ZVEZDA 5 Aug]* 14
Chechnya Settlement To Influence Election Campaign *[ROSSIYSKIYE VESTI 5 Aug]* 15
Chernomyrdin, Yeltsin Aides Attend Funeral *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 16
Yeltsin Seen Making Preparations for Campaign *[MOSKOVSKIY KOMSOMOLETS 4 Aug]* ... 16
Yeltsin Signs Laws on Taxes, Social Insurance Fund *[ITAR-TASS]* 17
Yeltsin Signs Amendment to Income Tax Law *[ROSSIYSKAYA GAZETA 8 Aug]* 18
Yeltsin Vetoes 'Contradictory' Foreign Trade Bill *[INTERFAX]* 18
Yeltsin Again Vetoes Agricultural Cooperation Law *[SEGODNYA 4 Aug]* 18
Text of Yeltsin Edict on Agricultural Technology *[ITAR-TASS]* 19
Daily: Chernomyrdin Seen Supporting Nemtsov *[SEGODNYA 5 Aug]* 19
Government Discussions on Budget, Economy Viewed *[ROSSIYSKAYA GAZETA 5 Aug]* 20
Kokoshin Critical of 1996 Draft Budget Provisions *[KRASNAYA ZVEZDA 5 Aug]* 20
Commission Clarifies Election Law for Parties *[SEGODNYA 5 Aug]* 21
DPR Debates Decision To Merge With CRC *[SEGODNYA 4 Aug]* 21
Youth Movement Plans Independent Electoral Bid *[SEGODNYA 5 Aug]* 22
Far East's Power Engineers To Receive Money *[INTERFAX]* 22

Media Issues

Ryabov Details Rules on Campaign Material in Media *[ROSSIYSKIYE VESTI 5 Aug]* 23
Private TV, Radio Not To Air Political Ads *[SEGODNYA 3 Aug]* 23
Media Involvement in Election Campaign Questioned *[Moscow RTV]* 24

Military Issues

Paratroopers Withdrawn From Moscow *[INTERFAX]* 24

Federal Assembly

Council's Gonchar on Chechen Settlement, Budget *[KURANTY 4 Aug]* 25
Isakov Doubts Yeltsin Veto of Council Law *[SOVETSKAYA ROSSIYA 8 Aug]* 26
Rybkin Demands Council Examine Draft Laws *[ROSSIYSKAYA GAZETA 8 Aug]* 26
Report Cites Zadornov on 1996 Draft Budget *[SEGODNYA 5 Aug]* 26

Regional Affairs

Reportage on Chechen Talks, Accord, Implementation 27
'Experts' Work on Political Agreement *[ITAR-TASS]* 27
Dudayev's Combat Preparations Asserted *[INTERFAX]* 27
OSCE Official on Disarmament Progress *[AFP]* 28
Exchange of Prisoners Postponed Again *[ITAR-TASS]* 29
Shali District Declared Peace Zone *[ITAR-TASS]* 29
Abdulatipov Urges Chechen Roundtable *[TRUD 5 Aug]* 30
Skobolev Interviewed on Military Accords *[KRASNAYA ZVEZDA 8 Aug]* 30
Volskiy: Chechen Gunmen Want Peace *[IZVESTIYA 5 Aug]* 32
Volskiy Interviewed on Chechen Peace *[PRAVDA 5 Aug]* 33
'Vzglyad' Roundtable Views Chechnya *[Moscow ORT]* 35
Federal Plot To Boost Food Prices Seen in Moscow *[SEGODNYA 5 Aug]* 42
Ivanovo Voters Apathetic About Elections *[Moscow NTV]* 42
Tatarstan Edict on Foreign Relations Presented *[RESPUBLIKA TATARSTAN 3 Aug]* 43
Soskovets Cited on Economic Prospects for Mordovia *[Radio Rossii]* 44
Irkutsk Militants Arrested After Terrorist Threats bat>[TRUD 5 Aug] 45
Irkutsk Seeks To Define Relationship With Moscow *[SEGODNYA 5 Aug]* 45
Self-Government Dilemmas in Soviets Pondered *[SOVETSKAYA SIBIR 2 Aug]* 45
Novosibirsk's Active Political Parties Examined *[VECHERNIY NOVOSIBIRSK 28 Jul]* 47

Economic Issues

Deficit Viewed Higher Than Official Figures *[IZVESTIYA 5 Aug]* 49
Extra Revenue Sources Sought for 1996 Budget *[ITAR-TASS]* 49
FAPSI To Protect Central Bank Information *[SEGODNYA 4 Aug]* 50
FAPSI, CBR Chiefs on Protecting Bank Information *[ROSSIYSKAYA GAZETA 5 Aug]* 50
Joint Statement Calms Fears Over Dollar Exchange *[SEGODNYA 5 Aug]* 51
Tatarstan, Russia's Gazprom Sign Gas Supply Accord *[ITAR-TASS]* 51
Article Views Furor Brewing Over Gazprom Finances *[IZVESTIYA 4 Aug]* 52
Power System Company Boosts Incorporation Capital *[SEGODNYA 5 Aug]* 53
Federal Agencies Coordinate Structure of Oil Groups *[INTERFAX]* 54
Oil Trading Joint Venture in Kaliningrad *[BNS]* 54
Contract Signed for Next Stage of Yamal-Europe Pipeline *[SEGODNYA 5 Aug]* 54
Compensation for Drought-Hit Grain Farm Inadequate *[ROSSIYSKIYE VESTI 5 Aug]* 55
Agriculture Ministry Forecasts Grain Harvest *[ITAR-TASS]* 55
Daily: Food Production Will Continue To Decline *[TRUD 4 Aug]* 56

UKRAINE

International Affairs

Admiral Views Joint Exercises, BSF Problems *[Kiev International]* 57
Commentary Views Moscow's 'Annoyance' at PFP Program *[MOLOD UKRAYINY 4 Aug]* ... 57
Problems in Fleet Talks With Russia Explained *[INFOBANK]* 58
Deputy Minister Explains U.S. Credit Line *[INTELNEWS]* 58

National Affairs

Kuchma Stresses Need To Develop Stock Market *[HOLOS UKRAYINY 4 Aug]* 59
Nationalist Leader Warns of Future 'Police State' *[MOLOD UKRAYINY 3 Aug]* 59
Lvov Communists Appeal to EC Over Human Rights Violations *[VSEUKRAINSKIYE VEDOMOSTI 2 Aug]* 60
Official Thanks Turks For Helping Crimean Tatars *[URYADOVYY KURYER 3 Aug]* 61
Official: 'Mass Return of Crimean Tatars Impossible' *[URYADOVYY KURYER 3 Aug]* 61
Envoy Assures Ukrainian Community of Support *[HOLOS UKRAYINY 4 Aug]* 62
Article Views Activities of Mercenaries *[MOLOD UKRAYINY 3 Aug]* 62
National Guard, Militia Hold Joint Tactical Exercises *[INTERFAX]* 64
Military-Industrial Official: Reforms Will Continue *[Kiev International]* 64
Emergency Shutdown of Khmelnitsk Nuclear Power Station *[ITAR-TASS]* 64

Economic Issues

World Bank Loan To Establish Export Guarantee Fund *[INTERFAX]* 64
Cabinet Introduces Amendments to Antimonopoly Law *[UKRINFORM]* 65
Problems, Situation in Aviation Industry Viewed *[VECHIRNIY KYYIV 3 Aug]* 65
Antonov Company Lacks Funds for Test Flights Abroad *[INFOBANK]* 66
Measures Taken To Prevent Outflow of Grain to Russia *[UNIAR]* 66

WESTERN REGION

Belarus

Turkish Foreign Minister Inonu Arrives for Talks *[INTERFAX]* 67
Inonu Praises Minsk-Ankara Relations *[INTERFAX]* 67
Chyhir Meets Turkish Foreign Minister *[Minsk Radio]* 67
Russia's Gazprom Signs Cooperation Accord *[INTERFAX]* 67
Conflict on Halting Missiles Removal Examined *[BELARUSSKAYA DELOVAYA GAZETA 3 Aug]* 68
Russian Media Accused of Waging War Against Lukashenka *[INTERFAX]* 68
Foreign Ministry Protests Czech Official's Comment *[BTK]* 69
Background to Lukashenka Ascendancy Viewed *[KOMSOMOLSKAYA PRAVDA 4 Aug]* 69

Moldova

Tiraspol Reluctant To Announce Political Amnesty *[INFOTAG]* 71
Former Gagauzi Security Chief Accused of Attempted Murder *[INFOTAG]* 71
INFOTAG Analyzes Economic Development 71
Health Ministry Reports Cholera Situation 'Critical' *[INFOTAG]* 73

CENTRAL ASIA

Tajikistan

Dushanbe Launches Campaign Against Nepotism *[INTERFAX]* 74
Authorities Said Not Encroaching on Freedom of Speech *[INTERFAX]* 74

Turkmenistan

President Blames Shortages on Bad Managers *[TURKMENSKAYA ISKRA 29 Jul]* 74
Regional Heads Fired for Poor Economic Performance *[Radio Rossii]* 75

CAUCASUS

Armenia

World Bank Director Cited on Use of Loans *[INTERFAX]* 76
Positions Come Under Fire From Azerbaijan *[Yerevan Radio]* 76
Legal Proceedings Begun Against Dro Secret Organization *[INTERFAX]* 76
Various Mines Offered For Sale to Public *[SNARK]* 76

Azerbaijan

President Receives Turkish Envoy on Karabakh Issue *[Baku TV]* 77
Islamic Party Condemns Ban on Entering Elections *[Tehran Radio]* 77
Election Bloc Demands Amendments to Election Bill *[INTERFAX]* 77

Georgia

Protest to Moscow Over Adler Airport Incident *[INTERFAX]* 78
Further on Detention of Defense Minister *[CONTACT INFORMATION AGENCY]* 78
W. Georgian Region Demands Withdrawal of Armenian Battalion *[IPRINDA]* 78
Abkhazia: Dudayev Envoy Calls For Chechens To Return *[Tbilisi Radio]* 78
Abkhaz Separatists Reportedly Supplied With Tatarstan Arms *[Tbilisi Radio]* 79
Shevardnadze Submits Constitutional Article on Presidency *[INTERFAX]* 79
Shevardnadze Chairs Discussion on Draft Constitution *[Tbilisi Radio]* 79
Shevardnadze Orders Security Guarantees on Railways *[Tbilisi Radio]* 79
Shevardnadze on Economic, Political Issues *[Tbilisi Radio]* 80
'Modern' Communist Party Head Outlines Goals *[ARGUMENTI 26 Jul-1 Aug]* 82

BALTIC STATES

Estonia

Defense Minister on New 'Unique' Defense Concept *[Tallinn Radio]* 85
Country's Navy Without Chief of Staff *[KRASNAYA ZVEZDA 8 Aug]* 85

Lithuania

Joint Lithuanian-U.S. Military Exercises Begin *[Vilnius Radio]* 85
Norwegian Defense Minister Arrives for Talks *[Vilnius Radio]* 85
Peacekeepers May Be Withdrawn From Croatia *[Vilnius Radio]* 86
First Quarter Foreign Trade Figures Detailed *[BNS]* 86

ITAR-TASS Carries Press Review for 8 Aug

LD0808063595 Moscow ITAR-TASS in English 0452 GMT 8 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 8 (Itar-Tass) — Today's newspapers highlight Croatia's offensive on Serbian Krajina. The IZVESTIYA daily writes that "it took Croatian troops only two days to liquidate the republic of Serbian Krajina which existed for four years. By Sunday night the offensive which was given a code name of the 'Storm' had been practically completed. Only scattered Serbian detachments encircled by Croats continued resistance. The world reaction to the Croatian offensive was negative in general, but it was not strong enough to arouse serious fears in Zagreb," Izvestiya said. Only Russia, which remained in isolation for another time, demanded tough measures to cut short the Croatian aggression, the newspaper said.

KOMSOMOLSKAYA PRAVDA writes in an article devoted to the Croatian offensive that "the reaction in the Yugoslav capital was rather reserved. Moreover, on the day when the offensive was launched Belgrade newspapers quoted Milosevic's statements about the erroneous policies pursued by Krajina leaders who failed to take advantage of the talks and put the population they are in charge of in a disparate position." The newspaper does not rule out a possibility of secret contacts between Croatian and Yugoslav leaders. It is beyond doubt that Belgrade and Zagreb, having divided the spheres of power, have done what the international community which interfered in the conflict, failed to do. Once there is no Krajina — there is no war. Once there is no victims, any revenge is ruled out," the newspaper said.

"PRAVDA" writes that no matter what civilized words Zagreb is using to justify its move, describing it as "the re-integration of territories rather than the war", the forth consecutive Croatian "Blitz Krieg" against Serbian Krajina since May, 1995 can be unequivocally called "aggression."

"IZVESTIYA" gives priority to the situation in Chechnya. "Russian officers and soldiers have found themselves in a foolish position. For the period of the talks they were banned to fire back at armed Chechens. The outcome of the talks is not clear yet, while Chechen militants have scattered throughout the Chechen territory." " Volskiy and Maskhadov have confidence in each other, which is good. But they are not running around with submachine guns, while those who do run and shoot do not trust one another and it's not likely that it will happen soon," the newspaper said.

ROSSIYSKAYA GAZETA writes that Boris Yeltsin who returned to his office in the Kremlin on Monday after nearly a month's absence caused by a heart attack confirmed that he had made up his mind who would be appointed his plenipotentiary representative in Chechnya, but declined to give his name so far.

"KOMSOMOLSKAYA PRAVDA" writes in connection with the funeral of Ivan Kivilidi who will be buried in Moscow today that "after a recent assassination of the president of the "Yugorskly" bank Oleg Kantor the president of the "Round table " of the Russian business declared that commercial banks might be suspended for one day to draw the attention of those in power to a serious problem of forcible criminalization of business structures whose resistance has been weakening and which are practically defenseless.

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U.S. Serviceman Detained in Krasnoyarsk Released

LD0808092895 Moscow ITAR-TASS in English 0923 GMT 8 Aug 95

[By Yuriy Khots]

[FBIS Transcribed Text] KRASNOYARSK, August 8 (Itar-Tass) — An American serviceman detained by local Federal Security Service (FSB) agents was released after a few hours, the press service of the Krasnoyarsk regional FSB department told Itar-Tass. The incident took place on August 3.

The American, who reportedly attended a U.S. military academy, was taken while conducting unauthorised work near the mining and chemical plant in Krasnoyarsk-26, one of Russia's major nuclear centres. He was using a special geodesic instrument.

At the moment, the American continues performing his activities as a member of an international expedition of ecologists. The expedition also including researchers from Moscow and Krasnoyarsk is now cruising along the Yenisey river probing into the ecological situation after two of the three underground reactors in Krasnoyarsk-26 were shut down in 1992. It is planned that the last of the three will be put out of operation in 2000.

In Moscow, FSB spokesman Vyacheslav Mikhaylov confirmed the detention of the American.

FSB refused to disclose his name. However Tass learnt from reliable sources that the American had been identified as Mr Lynch.

Further comments on the incident from the FSB public relation departments may be expected on Wednesday when its representative is supposed to arrive in Krasnoyarsk.

Meanwhile, military sources in Moscow told Itar-Tass that supposedly the unauthorised works conducted by the American, might be related with improving cruise missiles' homing programmes.

The Siberian town of Krasnoyarsk-26 was founded 41 years ago on the bank of the Yenisey river, several dozens kilometres off the city of Kransnoyarsk itself. Until recently it has been known as Russia's major producer of weapon-grade plutonium.

Yeltsin Intvites Tudjman, Milosevic To Discuss 'Crisis'

Reviews Meeting With Kozyrev

LD0708145495 Moscow ITAR-TASS World Service in Russian 1407 GMT 7 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Aug — The problems of holding a trilateral Russian-Serbian-Croatian summit in Moscow were discussed today during a meeting between Russian President Boris Yeltsin and Russian Foreign Minister Andrey Kozyrev. An ITAR-TASS correspondent learned this from well-informed sources in the Kremlin.

In a talk today with journalists from leading Russian information agencies, Boris Yeltsin said that he has proposed that Serbian President Slobodan Milosevic and Croatian President Franjo Tudjman come to Moscow and discuss the possibilities of concluding an accord on the cessation of military actions in the territory of former Yugoslavia.

Serbian President Milosevic has not get given a final response to Boris Yeltsin's proposal. According to information from Ivan Ivanov, the ITAR-TASS correspondent in Belgrade, however, Slobodan Milosevic, who is not in Belgrade at the moment, has asked the Russian side to submit the range of issues that Moscow is proposing should be discussed at the summit meeting.

The Croatian leadership's reaction to Boris Yeltsin's initiative has been "positive on the whole," according to reports from Andrey Naryshkin, the ITAR-TASS correspondent in Zagreb. At the same time, like the Serbian side, the Croatian side would like to receive more precise comments regarding the agenda of the proposed negotiations. It has been reported in Zagreb diplomatic circles that the possibility exists of submitting for discussion a "package" of issues on two levels — ranging from full-scale recognition of one another by Zagreb and Belgrade, to solving a number of bilateral problems of a humanitarian and legal nature.

Milosevic Yet To Reply

LD0708134895 Moscow ITAR-TASS World Service in Russian 1255 GMT 7 Aug 95

[By ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Text] Belgrade, 7 Aug (ITAR-TASS) — Serbian President Slobodan Milosevic has not yet given a final answer to Boris Yeltsin's proposal to hold a meeting in Moscow between the Serbian and Croatian

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presidents to reach an agreement on ending military activity in the former Yugoslavia.

An ITAR-TASS correspondent was told by informed sources close to the Serbian president's chancellery that Milosevic is not in Belgrade at the moment. When he learned of Yeltsin's proposal for a meeting in Moscow he asked the Russian side to provide the list of questions proposed for discussion, after which he would give his answer.

An ITAR-TASS correspondent was told at the Russian Embassy in the Federal Republic of Yugoslavia that it is expected that the situation faced by Krajina refugees and measures to avoid an escalation of military activity and to bring about a general settlement of the Yugoslav crisis could be among the questions discussed at the meeting with Milosevic and Tudjman. It appears that the issue of mutual recognition by Yugoslavia and Croatia will not be given full attention.

Tudjman Agrees With All Proposals

LD0808085695 Moscow ITAR-TASS World Service in Russian 0804 GMT 8 Aug 95

[By ITAR-TASS correspondent Andrey Naryshkin]

[FBIS Translated Text] Zagreb, 8 Aug (ITAR-TASS) — Franjo Tudjman, president of Croatia has confirmed his readiness to come to Moscow for talks with Serbian leader Slobodan Milosevic and he agrees with all the proposals contained in Boris Yeltsin's initiative.

ITAR-TASS was informed today in the Russian Embassy in Croatia that official Zagreb proceeds on the basis that the prevention of further escalation of the conflict, the resolution of the refugee problem, and discussion of the prospects for a peaceful settlement on the territory of the former Yugoslavia must not be delayed and are priorities today.

The meeting in Moscow with the mediation of the Russian president, the initiative for which was put forward on Monday by Boris Yeltsin, should not necessarily succeed in adopting final decisions. However, it is seen here as an opportunity to open up the final stage of resolving the regional crisis.

Zagreb 'Willing To Talk' With Belgrade

LD0708151995 Moscow INTERFAX in English 1506 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (Interfax) — There is "rather high" probability that Croatian President Franjo Tudjman will accept Russian President Boris Yeltsin's invitation to arrive in Moscow for talks with Serb President Slobodan Milosevic, a high-ranking Foreign Ministry official, who spoke with diplomats from the Russian Embassy in Zagreb Monday, said in an interview with Interfax.

"Judging by the statements of Croatian top officials, including high-ranking officials from the Croatian Foreign Ministry, Zagreb is willing to talk with Belgrade on normalization of relations. The question is what price the two sides are ready to pay to reach this goal," the source stressed.

According to the diplomat, the meeting, if any, will deal with a broad range of issues. "One of the most disturbing problems is the situation with Serb refugees from Krajina," he said.

The Russian Foreign Ministry official noted that earlier, 300,000 Croatian refugees were what "pushed Zagreb to take harsh measures" and use force. Now the situation could turn around, "taking into consideration that many Serb refugees are still holding weapons, and the rest, even those who did not take part in hostilities before, are extremely embittered," he said. "The army of Serb Krajina was scattered and has in fact broken up, while there is no guarantee that it will not reappear elsewhere," said the diplomat.

Kozyrev May Attend if Talks Proceed

LD0708161695 Moscow ITAR-TASS World Service in Russian 1535 GMT 7 Aug 95

[FBIS Translated Text] Moscow, 7 Aug (ITAR-TASS) — As reported to INTERFAX at the secretariat of the Russian foreign minister, on Monday Andrey Kozyrev broke up for his regular three-week vacation.

"The head of the Russian Foreign Ministry intends to spend it in Sochi, where he headed on Monday afternoon," a member of staff at the minister's secretariat said.

The diplomat confirmed that this morning Kozyrev met President Boris Yeltsin. "The focus of their attention, as they held the meeting, was on the latest events in Croatia and the situation in the former Yugoslavia as a whole. The president instructed Kozyrev to personally keep an eye on developments in the post-Yugoslav space," the diplomat said.

The diplomat did not rule out the possibility of Kozyrev interrupting his vacation "if need be." "This may happen if the presidents of Serbia and Croatia accept the Russian president's invitation and come to Moscow for consultations on problems relating to the settlement in the former Yugoslavia," he said.

He confirmed that Moscow hopes to receive replies from Belgrade and Zagreb by Tuesday.

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"The minister may interrupt his vacation if say, a decision is made to hold a regular meeting of foreign ministers of the member-states of the Contact Group on Bosnia," the diplomat said.

He reminded that French President Jacques Chirac also put forward this initiative a few days ago.

Earlier in an interview with INTERFAX, Kozyrev said that Moscow was ready to back the Paris initiative.

In the absence of Kozyrev, Igor Ivanov, Kozyrev's first deputy, will be in charge, the diplomat said.

Deputy Foreign Minister Receives Contact Group Envoys

LD0808110495 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — First Deputy Foreign Minister Igor Ivanov received the ambassadors from countries in the Contact Group for Bosnia in Moscow on Tuesday. Interfax learned this from Ivanov himself who is filling in for Foreign Minister Andrey Kozyrev. On Monday evening Kozyrev took off for Sochi for his vacation.

According to a source, participants in the conference, conducted by Ivanov in Russia's Foreign Ministry, discussed President Boris Yeltsin's call for inviting President Slobodan Milosevic of Serbia and his Croatian counterpart Franjo Tudjman to Moscow for talks.

President Yeltsin's proposal does not undermine unity in the Contact Group, the source stressed. "We intend to consult our Western partners on all fundamental issues relating to settlement in former Yugoslavia," he noted.

Besides Russia, the Contact Group includes the U.S., France, Britain and Germany.

Demurin Reaffirms Desire for Peace in Yugoslavia

MM0708130795 Moscow ROSSIYSKIYE VESTI in Russian 5 Aug 95 p 3

[Unattributed report: "Lifting the Embargo Will Be Detrimental to the Whole World Community" — first paragraph is ROSSIYSKIYE VESTI introduction]

[FBIS Translated Text] At ROSSIYSKIYE VESTI's request Mikhail Demurin, first deputy director of the Russian Foreign Ministry's Information and Press Administration, commented on the situation around Bosnia-Herzegovina and Croatia.

Touching on the U.S. legislators' decision to unilaterally lift the arms embargo on Bosnia-Herzegovina the Russian diplomat noted that this choice of strong-arm methods elicits a negative response from Russia. Should it materialize, this will inevitably entail an escalation of military operations, the extension of the conflict, and the involvement of new participants. But after the fresh spiral of strong-arm confrontation, the sides will inevitably find it necessary once more to seek a mutually acceptable political settlement.

Firmly advocating peaceful means of settling the Yugoslav crisis, Russia believes that it is now important to give positive signals not to those who want to take the strong-arm path by relying on a "military victory" to no avail, but to those who really support the world community stance and its coordinated settlement plan and who are capable of giving a crucial fillip to the quest for political solutions. This applies to the constructive position taken by Serbia and its President Slobodan Milosevic, whose desire for peace the international community must support by lifting the sanctions. That is our firm stance and we do not know of any other ideas of a political nature apart from C. Bildt's well-known plan (lifting sanctions means the Federal Republic of Yugoslavia's recognition of Bosnia-Herzegovina). It must be implemented, and as soon as possible,

Russia's principled policy on the Yugoslav crisis is that a settlement can only be secured by joint efforts by the parties to the conflict with concerted support from the international community. Unilateral moves — be it the lifting of the embargo or the emergence from sanctions — would be counterproductive, not only for the settlement process, moreover, but also for the authority of the United Nations as the leading international organization.

People in Russia perceived Zagreb's military operations against Knin as an extremely negative factor.

People in Russia hoped that the statements by Croat representatives and the Krajina Serbs regarding their willingness to come to the negotiating table are not just words, and that they were ready to help seek political solutions. Regrettably, the subsequent development of events showed that the strong-arm scenario prevailed.

Commander in Slavonia Complains of Increasing Danger

LD0708210295 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 7 Aug 95

[From the "Vremya" newscast]

[FBIS Translated Text] Many foreign analysts suspect that Croatia and Serbia have struck a territorial deal. Zagreb and Belgrade may have reached an agreement on giving Bosnian Serbs their own state in Bosnia. They may have also agreed to grant Bosnian Muslims a state

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of their own. At any rate, these suppositions are being voiced.

It is now absolutely clear that the international community has not been able to work out any harmonious policy in former Yugoslavia. The future of the blue helmets is worrying everybody at present. The Russian battalion is among those keeping an eye on the Balkan conflict. Along with other blue helmets, it is serving in one of the hottest areas of the confrontation — in eastern Slavonia. There are 821 soldiers in the battalion, but its area of responsibility covers more than 1,500 square kilometers. The current worsening in the situation has put our lads into an extremely difficult position. Effectively, they have now found themselves between two fires. Our commentator Igor Rostovtsev, who recently visited the battalion along with his film crew, today contacted Colonel Aleksandr Nizhegorodov, its commander.

[Begin recording] [Rostovtsev, in a studio speaking on the phone] Aleksandr Ivanovich, tell us about the situation in the area of the battalion's responsibility.

[Nizhegorodov] At 0330 on Saturday, on 5 August, Krajina Serbs carried out artillery attacks on the positions of the subunits of the Croatian Army, including in the vicinity of the populated centers Osijek, Vinkovci, and Nustar. [video shows Russian battalion]

Both sides are continuing to build up their strength and resources and are taking vantage positions, digging in.

As a result of these actions, two posts of the Russian battalion have been sealed off. But communications with them are being maintained. The relief of the personnel and food and water supplies are being organized. Five observation posts have been removed because of the impossibility of providing them with all the necessities, and the increasing danger for the personnel. Observations are currently being carried out from 47 observation posts. On Sunday from 1800 till 2300, the hostile sides were exchanging artillery fire. At some of the posts, because of the proximity of the positions of the fighting sides, there is real danger to the safety of the personnel.

[Rostovtsev] Aleksandr Ivanovich, tell us whether there are any losses among your personnel?

[Nizhegorodov] Yes. On 5 August, during the exchange of fire between the hostile sides, Private [name indistinct] was injured in the leg. But the injury is not serious. We are taking measures in the battalion to secure the safety of the personnel. The situation in the battalion's area of responsibility is under control. We are constantly maintaining contact with both the hostile sides. Of course, if the situation continues in the same direction, we will remove a number of posts in the future to avoid our people being harmed.

[Rostovtsev] Can a situation arise when our soldiers might have to open fire?

[Nizhegorodov] This situation cannot be fully ruled out, but nevertheless both the hostile sides have assured us that they guarantee our safety. At least we have had their assurances.

[Rostovtsev] Thank you, Aleksandr Ivanovich. [end recording]

Plans Prepared To Evacuate Troops From Croatia

LD0708133795 Moscow INTERFAX in English 1227 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (Interfax) — The situation around the Russian peacekeeping contingent in Croatia is not a cause for concern, first deputy commander of the Russian airborne troops, Lieutenant-General Aleksandr Chindarov, told Interfax Monday.

He said that the Russian paratroopers "are neither being blocked nor shelled." Commenting on the situation in the region following the Croatian regular army offensive on the positions of the Krajina Serbs, Chindarov said that the Russian peacekeepers are staying "in a relatively safe area situated at a considerable distance from the zone of hostilities."

At the same time, the general said that the command of the Russian airborne troops had worked out a plan for evacuation of the battalion servicemen "in case one of the conflicting sides attempts to use the Russian "blue helmets" as a live shield during the enemy fire."

The headquarters of the Russian peacekeeping contingent in Croatia, which amounts to around 1,000 servicemen, is located in the south-east of the republic in the town of Klissa.

There are around 1,500 Russian paratroopers in the UN military contingent in the former Yugoslavia.

The second battalion of Russian "blue helmets" is stationed in the Bosnian capital of Sarajevo.

U.S. Reaction to Croatia's 'Dirty Work' Viewed

MM0708193995 Moscow IZVESTIYA in Russian 8 Aug 95 p 3

[Article by Vladimir Nadein: "United States Does Not Prevent Croats From Doing Their Dirty Work"]

[FBIS Translated Text] Washington — Unlike the United Nations and its European allies, the United States

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has on the whole supported Croatian President General Franjo Tudjman, who has carried out a brutal and successful attack against the self-proclaimed Republic of Serbian Krajina.

Secretary of State Warren Christopher, who was taking part in a popular television program from a television studio in Hanoi, where he opened the U.S. Embassy, was restrained, preferring to talk only about facts. But his cabinet colleague, Defense Secretary William Perry, speaking from Washington and better sensing the mood in the White House, was quite definite. "The Croatian Government," the secretary said, "was obviously concerned by the advance of the Bosnian and Krajina Serbs on Bihac, and its actions are aimed, among other things, at stopping it (the advance). We hope that it (the Croatian attack) will be successful and that the Serbs will halt their attack on Bihac."

President Clinton has also responded favorably on the whole, expressing the hope that the Croatian attack "will obviously reduce the pressure on Bihac." But he added: "We have asked them (the Croats) to show genuine restraint because we are very concerned by an expansion of the war."

Although the arguments with which France, Britain, and Russia strongly condemned the Croats are being taken seriously by the White House, Gen. Tudjman's success reduces the likelihood that the United States will have to participate with its troops in the Balkan melee. Although the Clinton administration is constantly being subjected to savage opposition attacks for adhering to the embargo on arms deliveries to Bosnia, the nonparticipation of ground forces is the pillar of a bipartisan policy.

The White House does not want to lose face in front of its NATO allies. It does not wish to hear criticism that the superpower is shirking its duty. It is not prepared to accept criticism from the United Nations. The last thing that President Clinton will agree to is sending the first U.S. soldier to Bosnia. Even if the situation there develops in precisely the way described by the President in his speeches on "the likelihood of intervention," some ploy will still be conjured up and U.S. ground forces will not get involved in Serbian-Croatian-Bosnian clashes.

Defense Secretary Perry mentioned one of these scenarios. Noting that the Croatian attack opens up the danger that the Croatian and Bosnian Serbs will unite with Serbia itself in a war against Croatia, he said that "there is always the possibility" that the administration will not be able to send its troops to secure the evacuation of UN peacekeeping forces in Yugoslavia. "The operation will cost something approaching $1 billion," the secretary said. "We will have to approach Congress and request funding."

The administration, the secretary said, will do everything to induce Congress to support a landing, otherwise this "will largely mean the end of NATO." But the current Congress, which is voting against the President with relish on everything, will not be intimidated by the grumbling from Europe.

Senate ABM Vote Jeopardizes START Treaties

MM0708104995 Moscow IZVESTIYA in Russian 5 Aug 95 p 3

[Article by Vladimir Nadein: "U.S. Senate Deals Blow to Missile Equilibrium;" article is accompanied by an "Expert's Opinion" by Anton Surikov, adviser at the Defense Research Institute]

[FBIS Translated Text] Washington — The upper house of the U.S. Congress voted Thursday to allocate $300 million to the development [razrabotka] and creation [sozdaniye] of an ABM defense system. "This is not aimed against Russia, it needs to be done in conjunction with Russia," Senator Dan Coats said, commenting on the decision. "Russia, too, has neighbors on which an eye has to be kept."

That view runs completely counter to the Kremlin's position. Russian Foreign Minister Andrey Kozyrev has repeatedly stressed that his country categorically objects to the unilateral abandonment of the Soviet-U.S. ABM Treaty. This treaty had served as a good basis for the subsequent SALT I and II agreements. In accordance with the letter of the agreement and under strict pressure from the United States the world's largest radar station at Krasnoyarsk was dismantled (and subsequently plundered by our fellow-countrymen).

Three-quarters of the senators voted to allocate this sizable sum, which the U.S. Department of Defense had not requested, considering the expenditure superfluous. The senators blatantly ignored warnings about the dangers of unilaterally violating an important treaty. Nobody said out loud that today's Russia is incapable of allocating the funds needed to take part in a new ABM race. But that was tacitly understood and accepted.

What was said out loud was banal and very contentious. It was stated that the situation in the world had changed substantially since the ABM Treaty was concluded in 1972. It was said that ABM defense used to be the preserve of the two superpowers — since only they had missiles. Today, the supporters of the new "star wars" idea claimed, virtually 30 states have missiles. These include states such as Iran, Iraq, and North Korea. Recalling that during events in the Persian Gulf Iraq had used "Scud" missiles, the senators called for "American servicemen to be protected and the American people to be protected."

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The program will take approximately 10 years. During this period around $40 billion will be spent. "Even if the system works it will be useless," Carl Levin, a dissenting senator, claims. But he was in a tiny minority.

As was the case with the B-2 stealth bomber, major appropriations have been allocated contrary to the Pentagon's wishes. Nobody even tries to object that the motive behind the decision is not military security but a desire on the part of influential legislators to win military orders for their states — California, Texas, and Washington. The behind-the-scenes deals favoring "home states" are framed with eloquent words about the missile threat from Iraq and North Korea. Many specialists consider this a fantasy.

Although it is thought that the Russian economy will not directly stretch to multibillion-dollar expenditure in the foreseeable future on an ABM defense system, the Senate decision is being criticized for other reasons. The abandonment of the ABM Treaty could wreck the program for dismantling and destroying ICBM's. Instead of a system whose value is indeterminate, the United States could encounter a real danger of freezing the not yet ratified but in practice operative SALT II agreement as well as additional joint measures approved by the two countries' presidents.

These arguments were cited in the press and during the Senate session. But short-term advantage was more tempting. The words "I've gotten work for you" yield more votes than "I've gotten peace for you."

Expert's Opinion

The development in the United States of a new ABM defense system will prompt Russia to review its commitments to cut nuclear arms, Anton Surikov, an adviser to the Defense Research Institute, believes. Commenting at an ITAR-TASS correspondent's request on the Senate decision, he stressed that this turn of events will encourage our country to refrain from ratifying the START II Treaty and to revise certain positions under START I.

The U.S. plans to develop a "tactical ABM system" and to alter the terms of the 1972 ABM Treaty in that connection amount to another attempt to push Reagan's old idea of the Strategic Defense Initiative. They pose a threat to strategic stability in the world and will, in particular, provoke the PRC and other "small nuclear countries" to sharply build up their nuclear-missile forces.

Russia should not consent to any changes to the text of the ABM Treaty. The Russian parliament is right to state that any changes or additions to the 1972 ABM Treaty should be subject to mandatory ratification by the Russian Federation Federal Assembly.

U.S. Moves Said 'Jeopardizing' Arms Agreements

MM0808090195 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 3

[Commentary by Aleksandr Golts: "Pentagon To Move to Congress?"]

[FBIS Translated Text] The other day a high-ranking foreign diplomat, commenting in a conversation with me on the clearly provocative U.S. Congress decision to lift the embargo on arms shipments to the Bosnian Serbs, noted with some irritation that it seems as though the State Department in the United States has moved to Capitol Hill. He meant that the legislators are elbowing out the Clinton administration from the adoption of the most important foreign-policy decisions.

Subsequent Senate resolutions show that the State Department seems to have been followed to Capitol Hill by the Pentagon and the Department of Energy. The Senate has just voted to allocate $300 million to develop [razrabotka] and create [sozdaniye] an ABM defense system — a reduced "tactical" version of Reagan's notorious "Star Wars" program. And whereas the attempt to create some kind of global antimissile shield over America is a reflection of the realities of the global confrontation between Moscow and Washington, the current projects, the senators claim, are aimed at protecting themselves against tactical missiles, which regimes hostile to the United States from Iraq to North Korea have at their command.

The poignancy of the situation is that the U.S. military department by no means requested these funds — the program had been frozen. This was done for a number of reasons. First, we need only glance at the map to realize that tactical missiles belonging to authoritarian regimes are a pretty theoretical risk. After all, these missiles would still need to brought closer to U.S. shores. Second, specialists are by no means sure that such a system would be effective. And, finally, the main point — the deployment of this system would undermine the ABM Treaty, which is still the foundation of Russo-U.S. nuclear missile arms reduction agreements.

Of course, we should hardly think that attempts to obtain a sizable advantage over the existing ABM system are linked to plans by Washington politicians for a nuclear strike against Russia. Rather, the right view is held by those analysts who believe that the legislators are thereby campaigning for new orders for military-industrial complex enterprises. But it says much that the legislators have essentially ignored the fact that the ABM issue is under constant discussion between Moscow and Washington, and have adopted a unilateral decision. Above all, it shows that the legislators

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do not consider themselves obliged to pay any attention to maintaining the current parity and strategic stability. Which calls into question the prospects for the successful ratification of the START II Treaty in the Russian parliament. And, moreover, prompts our country to review its nuclear arms reduction commitments.

Apart from allocating money for an ABM system, the U.S. legislators have also decided to fund nuclear weapons testing. Which again was not something that the Department of Energy had requested. Here the legislators are acting directly contrary to Washington's pledge to elaborate and sign an agreement on a total nuclear test ban next year. I recall that this commitment on the part of the great powers helped bring about the indefinite extension of the Nonproliferation Treaty.

It turns out that, by pursuing their own and generally local goals (discrediting Clinton as a candidate in the next election, securing orders for military enterprises), the American legislators are jeopardizing some very important agreements which safeguard military-political stability in the world.

'Catastrophic' State of Nuclear Plants Detailed

AU0708150595 Hamburg WELT AM SONNTAG in German 6 Aug 95 p 11

[Report by Nikolayi Nor-Mesek, head of the Institute for Soviet Studies in Frankfurt/Main: "Defective Nuclear Plants, Ignorant Personnel, Many Deaths"]

[FBIS Translated Text] Moscow — The military and civilian nuclear plants in Russia pose a far greater danger than feared in the West so far. WELT AM SONNTAG is in possession of a new confidential analysis by scientists and military experts that was commissioned by President Yeltsin. In this analysis, Russia, for the first time, admits that "catastrophic" conditions prevail in some of their nuclear facilities, and that safety equipment is at 1963 standards.

The confidential study paints a particularly bleak picture of the safety situation in the strategic armed forces. There are no technically qualified officers, the staffing of the units is only half the required level. The troops' protection against radiation is said to be "catastrophic" and "irresponsible."

The report mentions a number of extremely serious incidents, about which the Russian public and the West have not known anything or have only had a vague idea so far. According to the analysis, several entire missile positions exploded, because safety regulations were not observed or safety systems failed. The study mentions a serious accident in the Pacific Fleet in the summer of 1993 in which 21 sailors were killed and two crews of nuclear submarines were severely injured. The commander, the report says, has tried to cover up the incident ever since.

The confidential report also mentions accidents in the nuclear submarine factories of Nizhni Novgorod and Severodinsk; in the latter plant, several serious explosions happened over the last three years. The study does not indicate how many people were killed there. Yet: These reports throw some light on mysteriously high numbers of death notices in certain regions. A strikingly high number of military officers and scientists died in the past; the death notices frequently spoke of car accidents.

The analysis also permits a more detailed location of numerous sites where nuclear arms are kept, which could only be located roughly by the CIA and the Institute for Soviet Studies (ISOS) in Frankfurt/Main so far.

Another chapter of the confidential report deals with nuclear research centers, nuclear scientists leaving the country, and the smuggling of nuclear material. Only recently, Foreign Minister Andrey Kozyrev admitted publicly for the first time that the theft and smuggling of plutonium is really taking place.

The report criticizes that the Russian border authorities are very careless in "controlling officials in charge of secrets." Examples have shown that a $100-bribe is enough for a border official to let someone in charge of secrets leave the country. Although no figures are indicated regarding the theft of radioactive material, the report indicates that large quantities of weapons- grade plutonium have disappeared from "Arsamas-16" and the "Avangard" plant.

The confidential report also confirms that the situation in nuclear power stations is extremely worrying. The study pays special attention to the Tver and Kursk nuclear power stations in western Russia: They refer to material deterioration and serious defects in the cooling and control systems, as well as in the fuel rods and their coverings. "The high neutron flux leads to changes in density, dimensions, and mechanical characteristics. Phenomena such as pore swelling, radiation-reduced creep, and altered removal behavior occur," the report says.

The number of incidents in nuclear power stations is given at 7,698 for the period between 1992 and May 1995. The type and intensity of incidents are only hinted at; it is thought that more than two dozen serious "incidents" occurred in Russia's 12 nuclear power plants during that period.

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Another chapter of the analysis describes the dangers in uranium mines. It says that safety equipment there is still at the 1963 level. Most of the miners are no longer given medical care, their protection clothing is outdated. The confidential report says that there have been more than 130 serious accidents in a pit belonging to Tomsk-7. The study does not say anything about casualties.

The reason why the analysis was commissioned was President Yeltsin's visit to the "Krasnoyarsk-26" uranium mine in eastern Siberia last year. The president had gone there following persistent requests by the mine's director, Valentin Lebedev, since Lebedev's alarmed calls had gone unheard by Moscow's bureaucracy. Yeltsin had the safety situation at Krasnoyarsk-26, the biggest plutonium producer in the world, explained to him there. His introduction to the confidential report shows that Yeltsin realized that Krasnoyarsk-26 not only poses a great danger to Russia, but that it might also endanger Russia's reputation for guaranteeing nuclear safety.

The president then called all renowned Russian nuclear scientists to Novosibirsk. He demanded that they supply "clear facts" instead of "nice words." The result is this analysis, which was completed on 19 May and has been kept under lock and key by the Russian Government. What is striking is that, since then, numerous government decrees on nuclear problems have been issued. Commissions and working groups have been formed. This indicates that Yeltsin and his advisers want to adopt new approaches toward "crisis management."

Nuclear Energy Ministry Delegation To Visit Iran

LD0708115595 Moscow ITAR-TASS in English 1144 GMT 7 Aug 95

[By Anna Bakina]

[FBIS Transcribed Text] MOSCOW, August 7 (Itar-Tass) — A delegation from the Russian Nuclear Energy Ministry headed by deputy Minister Yevgeniy Reshetnikov is expected to leave for Iran in late August, centre of public relations of the ministry told Tass.

The delegation will continue the discussion of urgent issues concerning the construction of the first unit of the Bushehr atomic power plant which started earlier this month during the visit of President of the Atomic Energy Organisation of Iran Reza Ampollahi to Russia.

The two parties will focus on the results of the examination by Russian experts of unfinished facilities in Bushehr, the elaboration of a scheme for financing the construction work currently under way, the provision of the first unit with Russian nuclear fuel and the treatment of nuclear waste, the centre of public relations said.

Project To Proceed After Amendments

LD0708180895 Moscow INTERFAX in English 1608 GMT 7 Aug 95

[By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 7 (Interfax) — During the next 10 days Russia and Iran are going to approve amendments to the contract on the construction of the nuclear power station in Bushehr, Deputy Minister for Nuclear Energy Lev Ryabev told Interfax Monday.

According to him, the two sides will hold talks and sign an appropriate document in Moscow. Immediately after that Russia will get down to completing the construction work in Bushehr, the official said.

Ryabev said that the most significant amendment is the provision on the return of used nuclear fuel from Iran to Russia. Nuclear wastes will be processed by Mayak plant in Chelyabinsk region. They can be temporarily stored at the ore-dressing plant in Krasnoyarsk-26. The return of the wastes for processing is an additional service offered by the Russian side, the deputy minister announced.

At the moment Russia takes back nuclear wastes from East European countries where the Soviet Union built several nuclear power stations.

The document on amendments should also provide for the delivery of Russian nuclear fuel to Iran and name the bank through which settlements will be made.

Construction of Nuclear Station in Cuba To Continue

LD0808101295 Moscow ITAR-TASS in English 0955 GMT 8 Aug 95

[By Anna Babkina]

[FBIS Transcribed Text] MOSCOW, August 8 (Itar-Tass) — Russia intends to continue the construction of a nuclear power station in Cuba. A Russian-made reactor "VVER" [water-cooled, water-moderated reactor] and a turbine have been shipped there and the assembly of the first nuclear reactor has begun, said chief of the Public Relations Department of the Russian Atomic Energy Ministry Georgiy Kayurov in an interview with Itar-Tass.

Kayurov said that Cuba, affected by a severe energy crisis, badly needs the nuclear power station and therefore, Russia had allocated 30 million dollars in credits

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for the purchase of auxiliary equipment for the nuclear power station.

Kayurov noted that the Atomic Energy Ministry was not surprised at media reports about a negative attitude to the construction of the nuclear power station in the United States. Kayurov pointed out that Russia is open for cooperation and is prepared to cooperate in the construction of the nuclear power station with the United States, adding that "the U.S. participation would enable it to exercise control over Florida located close to Cuban shores and whose security had recently aroused the U.S. concern."

Companies Prepare for Cuban Sugar-for-Oil Contract

LD0708201995 Moscow INTERFAX in English 1751 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (Interfax) — The Menatep-Impeks and Alfa-Eko are the most likely winners of the Russian-Cuba oil-for-sugar contract, a senior official of Menatep who spoke on condition of unanimity told Interfax Monday.

He said, however, that no government ordinance to this effect has been signed by Prime Minister Viktor Chernomyrdin so far.

Still, the source was certain that Menatep-Impeks and Alfa-Eko will supply 0.5 million tonnes of oil to Cuba each and purchase there at least 1.5 million tonnes of raw sugar each.

The source said that his company will have dealings with Nafta-Moskva which will supply oil to Cuba.

According to the source, Russia has undertaken, under an inter-governmental protocol, to supply a total of three million tonnes of crude to Cuba in exchange for one million tonnes of raw sugar. A tender was held among Russian companies for two lots, each for one half of the amounts of sugar and oil.

The source admitted, however, that because of the delay with signing the ordinance the deal is not likely to go through until the end of 1995.

He explained that Cuba is currently closing deals for sugar which will be shipped next September or October, while oil is usually supplied as pre-payment for sugar. When the ordinance is signed and oil supplies start, some of the Cuban sugar will be shipped to other customers.

Nevertheless, the source emphasized that Menatep and Nafta-Moskva will do their best to supply oil to Cuba before the end of the year.

He said that the state, represented by Rospishcheprom and the Finance Ministry, is the purchaser of sugar. This, the source said, guarantees the success of the deal.

The source added that the world market is favorable for the Russian companies involved in the deal in as sugar prices are expected to fall and oil ones to rise.

Country Opts for Indian Arms Market Over Pakistan

MK0808065695 Moscow SEGODNYA in Russian 4 Aug 95 p 9

[Article by Vladimir Abarinov: "Russian Arms Unrivaled on India's Market Because They Are Sold on Credit"]

[FBIS Translated Text] Yesterday [3 August], India's Foreign Minister Pranab Mukherjee arrived in Moscow for a three-day visit. The schedule does not provide for the signing of any documents — the sides, in the phrase of Yuriy Kotov, director of the Russian Federation Foreign Ministry's Third Asian Department, "only intend to compare notes on the whole range of bilateral and international problems." Mr. Kotov denied allegations that Moscow and New Delhi may "go back" to the contract on the delivery of cryogenic rocket engines "if it becomes clear that it does not contravene the missile technology control regime." This view was voiced the other day by Mikhail Tarasov, aide to the Russian Federation Government's chairman for international questions, citing the results of the latest session of the Gore-Chernomyrdin commission. In the words of Yuriy Kotov, cited above, the question of the missile deal "has long been closed, a decision has been found, and it suits both sides." This stance was confirmed Wednesday [2 August] by a deputy chief of the Asian Department. Russia will not provide India with missile technology, he stated in an INTERFAX interview, but "as compensation" it will deliver to India several booster [razgonnyy] cryogenic engines for launching satellites.

Military-technical cooperation occupies a special place in Russian-Indian relations. An intergovernmental program was signed in the course of Viktor Chernomyrdin's visit to New Delhi in December 1994 under which Russian military equipment is being supplied to all three armed services of India. Production of Russian-licensed combat planes, T-72 tanks, infantry fighting vehicles, missile boats, and guided missile frigates has been organized in India. Today, the Indian Air Force, Navy, and ground forces are equipped with Russian-model weapons at a rate of 80, 75, and 40 percent, respectively. One of the latest deals involves supplying 10 MiG-29 fighter planes under a state

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credit of $830 million granted by Russia back in 1992. According to Aleksandr Belikov, Russia's share in the commodity turnover with India will, in the next two years, mainly consist of arms supplies. The Russian side's offers are worth $2 billion. For their part, the Indians expect to be granted a license to produce the Su-30BK multipurpose fighter bomber. The sides are also getting ready for the building in India of an atomic power plant based on the WWER-1000 light-water reactors.

Both military and nuclear cooperation between Russia and India is being received without enthusiasm in the region. New Delhi stubbornly refuses to join both the Nuclear Nonproliferation Treaty and the missile technology control regime. The military orientation of the Indian nuclear program is not a secret. Besides, unlike Pakistan, India already possesses some quantity of finished nuclear weapons. For its part, Islamabad invariably refers to the Indian threat, stating that a national nuclear program is a matter of survival for Pakistan. A similar situation has developed on the subcontinent in the field of missile weaponry. Of special interest, against this backdrop, are reports circulating for quite some time about possible sales to Pakistan of Russian MiG-29 and Su-27 fighters. Moscow has confirmed that in the course of the visit to Moscow by Pakistan Foreign Minister Ahmad Ali one year ago, this question was on the agenda. The Russian Federation Foreign Ministry stated at that time that Russia was free from "ideological or other biases" in the matter of arms export; however, in discussing concrete deals, it approached the matter "in a balanced way, taking account of the possible consequences of such a step on a regional and global scale." Translated from Aesopian language, the wording means that Moscow has made its choice in favor of the incomparably larger Indian market, which the Americans are trying to enter by hook or by crook. A testament to this choice is also the indefinite postponement of Benazir Bhutto's visit, originally planned for the end of last year.

Journal on Attempt To 'Mend' Relations With PRC

LD0808090295 Moscow ITAR-TASS in English 0828 GMT 8 Aug 95

[FBIS Transcribed Text] LONDON, August 8 (Itar-Tass) — The latest issue of the Business DeCISions fortnightly, published here in cooperation with Itar-Tass, scrutinises the way "the two giants, Russia and China, try to mend their relations after decades of animosity and open hostility."

Andrey Lvov and Aleks Hunter describe the courtesies Russian and Chinese officials exchanged during Premier Li Peng's recent visit to Moscow in the course of which China was understood to extend support for the military campaign in Chechnya and the Russians, in turn, avoided mentioning the human rights issue in China.

On the whole, cooperation in the energy and military sectors between the two countries is developing quickly, but although Moscow and Beijing are talking about a new era in their relationship, trade between Russia and China continues to fall from around 7.7 billion dollars in 1993 to 5.1 billion in 1994, with this year's volume expected to be even lower.

The number of new joint ventures in the Russian Far East, set up by Russian and Chinese companies has been falling rapidly from 56 in 1993 to 24 last year. During the first 5 months of this year only four new joint ventures were registered. It is getting more difficult for the Chinese to persuade the Russians to buy their consumer goods: many people in Russia are now looking for better quality goods, having seen Chinese garments fade after two washes.

But the problem is not one-sided. Some of the Russian machinery delivered to Chinese enterprises has come with parts missing and raw materials occasionally do not match the specifications shown on the documents.

Companies from both sides have reduced the volume of direct trade and now have to deal through ministries and government agencies.

But there is one thing Russia has that China wants: modern and relatively cheap arms. During the Soviet-Chinese consultations in the 1960's and 1970's western-made arms began to appear in China, but now the Russian defence industry, having lost orders at home, is finding a new customer abroad, though the Chinese have been more inclined to pay with low-quality consumer goods rather than hard currency.

Space cooperation is developing but not without hitches. The Russian space industry is not willing to sell its secrets cheaply and discussions proved to be difficult.

The current warm spell in relations between Russia and China is probably a result of Russian disillusionment with the way in which the West has been reacting to the reform process. Moscow understands that there is substantial benefit in any new alliance with Beijing, as the West, worried by China's political and military ambitions, would be more inclined to be flexible on many issues, including financial support to Russia, Business DeCISions says.

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Political Issues

Yeltsin Views Situation in Chechnya, Yugoslavia

LD0708135695 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 7 Aug 95

[From the "Vesti" newscast]

[FBIS Translated Text] Boris Yeltsin made a number of remarks about Yugoslavia today. He started the day with a little walk around Cathedral Square in the Kremlin to his residence. Boris Yeltsin was stopped by journalists, with whom he chatted for a long time. He started his chat with the journalists on the topic of Chechnya:

[Begin recording] [First correspondent] What plans are there?

[Yeltsin] Russia has many plans. The most important thing is that we have passed the critical point of the crisis and started gradually on the way up. In the immediate future, of course, there is a big political event coming up —the elections to the State Duma. Everyone should be working on that, including the president.

[Correspondent] You recently promised to name your representative. Do you have a candidate?

[Yeltsin] Yes, but until I have signed the edict I won't be naming him. I have decided on the person, have talked to him, invited him to Barvikha. This is a solid person with a great deal of experience of political and organizational work. He will go back after the elections. Once the elections are held, they will have their own authorities in Chechnya, and the Federal bodies here, we will have demarcation of functions, just as with the other republics, it will have a certain degree of independence of course, certainly. And then he will go back.

As yet we have not set a date for the elections, because we still have to complete the disarmament. For the time being we have these unauthorized, illegal armed formations and we cannot hold elections under the barrel of carbines, rifles, automatic rifles. That will not do.

[Second correspondent] The most acute issue in the world at the moment is Yugoslavia.

[Yeltsin] Yes. Our position is unchanged. Recently I had a very long, substantial telephone conversation with Clinton. They were not pleased that we opposed their stand in London on bombing and setting up operational units, and so on and so forth, but experience has shown that repeated bombing has only spurred on the Serbs' hatred and they on the contrary have only responded to these provocations with fire of their own. And so the war has spread.

So we propose putting into effect a plan of ours. Namely, we have reached agreement with President Milosevic and with army chief General Mladic that they will not go for the UN safe haven of Gorazde and that if absolutely necessary we shall send our own peacekeeping forces there. They will not, of course, fight against us. This means restraining the Serbs from doing this, which is why the Croats stepped up their activity.

I am also talking to Kohl who has influence with the Croats. He has promised to restrain them from these actions as the Serbs would then respond once again to that provocation.

Now, following that understanding with Milosevic, we are negotiating to get Milosevic and Tudjman — the Croatian president — to come to Moscow to meet me and hold summit talks, so as to reach agreement on how a document might be signed to put an end to military action there. [end recording]

Yeltsin on Balkan Conflict, Elections, Chechnya

LD0708173095 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 7 Aug 95

[From the "Novosti" newscast]

[FBIS Translated Text] Russian President Boris Yeltsin touched on the developments in the Balkans today. This morning he returned to work in the Kremlin after nearly one month's absence owing to a heart condition. He began his day with a short walk on the Kremlin's Cathedral Square. He had to devote quite of lot of this time to journalists.

[Begin Yeltsin recording] Experience has shown that constant bombing only spurred on the Serbs' hatred and they responded to these provocations with their own fire. And the war has spread. We propose putting into effect our plan: We have reached agreement with President Slobodan Milosevic and General Ratko Mladic that they will not enter the UN's safe haven of Gorazde, and that if absolutely necessary we will send our peacekeepers there. They will not, of course, fight against us. This means restraining the Serbs from doing this. Though it is true that the Croats are stepping up their activity now.

But, I have also been talking to Kohl, who has influence with the Croats. He has promised to hold them back from these actions as the Serbs will then respond once again to that provocation.

Now, following this understanding with Milosevic, we are negotiating to get Milosevic and Croatian President Tudjman to come to Moscow to meet me and hold summit talks, so as to reach agreement on how a

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document might be signed to put an end to military action there. [end recording]

[Correspondent] As we know, both the Serb and Croatian leaderships have responded to this proposal. Yeltsin had to touch on Russia's internal problems, too, today.

[Begin Yeltsin recording] One very important political event is the elections to the State Duma. Everyone should be involved in this, including the president. It is very important to us that professional, rational people are elected to the Duma. I do not mean to say that such people are not working in the Duma already, it is clear that it is working much better than the Supreme Soviet did, and it has achieved a lot, the results are still to be assessed, but there have still been one or two hiccups. [end recording]

[Correspondent] There were many questions from journalists about the prospects for a settlement in Chechnya. Boris Yeltsin said he was pleased with the way the peace process was going in Chechnya.

[Begin recording] [Yeltsin] We still have to complete the disarmament. While we still have these unauthorized, illegal armed formations we cannot, of course, hold elections — under the barrel of carbines, rifles, automatic rifles. That will not do. Maybe they will not be held this year, but in the first half of next year.

[Correspondent] But Chechnya should be taking part in the State Duma elections?

[Yeltsin] Yes, definitely. They should already be naming their candidates to the State Duma and holding elections, definitely. For 17 December. [end recording]

PRAVDA Views Croat 'Aggression,' Kozyrev Approach

MM0708181195 Moscow PRAVDA in Russian 8 Aug 95 pp 1, 3

[Article by Yevgeniy Fadeyev: "Aggression"]

[FBIS Translated Excerpt] No matter how prettily Zagreb dresses it up in civilized words ("it is not war, it is the reintegration of territories"), there is only one word for the fourth Croatian blitzkrieg since May this year against the Republic of Serbian Krajina — AGGRESSION! [passage omitted]

Russia is also concerned over the aggression and has threatened to raise in the UN Security Council the question of Zagreb's intervention in a conflict with a neighboring state. Threatened.... But who listens to Russia these days? Well all right, maybe some people do still listen. But really can we Russians, who have been brothers for centuries and historical allies, now calmly observe with the whole world the bloody reckoning in a country which not so long ago was a factor of stability and calm in Europe? Now it has itself become a threat to this same Europe. The only blazing inferno on the continent. But the continent is a common home. If there is a fire in one room of a home the whole home could burn down. What, do our wise heads not realize this? A. Kozyrev, Russian foreign policy boss and "a great friend" of the Serbs, has continued to assert right up until the very last few days: "We will do our utmost to ensure that the political scenario is implemented."

And how! [passage omitted]

Yeltsin's TV Address on Chechnya Evaluated

MM0708153395 Moscow SELSKAYA ZHIZN in Russian 5 Aug 95 p 1

[Article by Vladimir Solovyev: "After the President's Speech: No Questions. No Answers"]

[FBIS Translated Text] Last Thursday [3 August] Russian President B. Yeltsin delivered a television address to mark the signing of an agreement in Groznyy on the batch of military issues. Voicing a high opinion of it as a step toward establishing peace, the president summarized the essence of the documents and noted that the Russian president's official representative and the special supervisory commission led by two cochairmen — Romanov, commander of the combined group of federal forces, and Maskhadov, chief of staff of the illegal armed formations — will guarantee the document's implementation.

In his fairly rounded statement the president spoke optimistically of the prospects for the subsequent settlement of the problem and concluded that the signing of the series of military documents has provided convincing evidence that any complex problems can be resolved peacefully.

I will not hide the fact that while listening to this statement I felt that these kind of contacts with the people (via the television screen) are the safest. After all, it may be no coincidence that the head of state has recently been avoiding press conferences where questions follow a statement. And some of these questions are, moreover, extremely blunt and awkward.

For instance, why was so much bloodshed necessary in order to understand something that has been obvious to everyone since ancient times — a bad peace is better than a good war. One can only share the president's satisfaction at the lives that will be saved. But why were such ideas not voiced back last fall 1994 regarding those Russian citizens for whose families and relatives the president has today been voicing his condolences...?

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...Needless to say, the people are already weary of war, funerals and "body bags." Understandably everyone wants a normal life as soon as possible with normal problems. But there is one danger here when people say: "Let us forget this nightmare as soon as possible." By forgetting who opened the way to violence and why, society may pave the way for this to happen again in the future.

...And the president is of course right about television. It is indeed easier this way — there are no questions and answers you see.

Chechen War Seen Exposing 'State's Weakness'

MM0708142595 Moscow KRASNAYA ZVEZDA in Russian 5 Aug 95 p 2

[Article by observer Aleksandr Golts under the "Week's Topic" rubric: "The War Is Over.... It Will Not Be Possible To Forget It"]

[FBIS Translated Text] Throughout the week that followed the signing in Groznyy of the agreement on the cessation of combat operations, the question mark has not disappeared from newspaper reports on the situation in Chechnya. It is a question here not only of skepticism, which has now become the usual thing in recent months: Representatives of the Russian authorities have repeatedly proclaimed the ending of military operations. It is, above all, the case that both the atmosphere in which the talks were conducted and even the agreed text inspired (and, incidentally, still inspire) fairly large doubts. For the powers of those people with whom the talks were conducted are still not clear. Particularly as Dudayev at once dismissed the head of his delegation after they were signed. In the implementation of the agreements themselves too much will depend on the good will of those who waged a brutal war on Russian troops. It was a war without any rules. Today Moscow puts too much trust in these people's sense of honor. Also in the fact that they are really capable of controlling the armed formations.

Despite all this, it still seems that the war really is over. "For the first time in many months," Russian President Boris Yeltsin stated in his television address, "a real opportunity has emerged to entirely end combat operations and to establish peace in Chechnya and, thus, in Russia." What has happened is that the spirit of the agreement and its expressed desire for a peace settlement have lent unexpected weight to its rather weak letter. The main truth is evidently that the Chechen people are immensely tired of war. They saw a sign of hope precisely in the agreement concluded in Groznyy. This is why the Chechen people — and certainly not those who called themselves their leaders — unequivocally advocate peace. This can no longer be ignored by Dudayev, who in the course of a few days radically changed his attitude to the agreement: from one of total rejection to an order to carry it out.

I believe that now that the desire for peace has become so obvious, a very great deal will depend on whether or not it is possible to establish mutual trust between the opposing sides at least to the most necessary degree. Here the test will be the ability to prevent armed provocations through joint efforts, the ability to isolate those who wish to continue the war.

Understandably, in the present conditions we should not yet speak of the restoration of constitutional order. Of course, self-determination by the people of Chechnya will not happen until all the military formations have been disarmed. Only then will the voter's voice become weightier than the barrel of an assault rifle. So a complete political settlement is still a very long way off. But the cessation of combat operations shows that some part of this path has been traveled.

At the cost of considerable casualties it has, in point of fact, been possible to eliminate the armed revolt on part of Russia's territory. It is significant that Dudayev's formations will be disarmed, because they are not provided for in the Law on Defense, as General Kulikov, minister of internal affairs, emphasized. The fact that both sides rely in one way or another on Russian laws in the agreement attests that Chechnya has been returned (by force, unfortunately) to Russia's legal area.

But, while understanding all this and agreeing that there was no alternative to the strong-arm solution, today we cannot fail to ask ourselves this question: "Was everything done correctly?" I probably will not be discovering America if I say that all the recent months, when Moscow was forced to use force, attested to our state's serious weakness. I am talking, above all, of the fact that the military operation had too weak backup, be it political, legal, economic, or ideological backup. There is no denying the fact that it was precisely this that determined the real split in society that occurred over Chechnya. We should not recall without shame the first days of last December, when with the sending of federal troops into Chechnya all the top statesmen vanished from the television screen. It was then that the propaganda war was lost.

The Constitutional Court's examination of the "Chechen" case, which ended this week, not only confirmed that the president acted within the framework of the country's Fundamental Law in sending troops into Chechnya. It also showed that our legislation is still full of holes which, in point of fact, in no way determine (or separate) the powers of the executive and

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the legislature in the event of an emergency situation like the one that arose in Chechnya. It must be pointed out, moreover, that at present virtually none of the factions operating in parliament has found within itself the strength, when discussing Chechnya's problems, to rise to the level of Russia's state interests. What is most worrying in all this is the fact that all the sparks issuing from the clashes over Chechnya are flying in just one direction: toward the Army. Very significant here is that part of the Constitutional Court's decision where, while agreeing with the validity of the president's edicts, at the same time it hints that the Armed Forces acted with excessive cruelty. I have no intention of entering into a debate with the leadership of Russia's third estate. But I will venture to remark that a decision to use the Armed Forces presupposes the use of quite specific means to defeat the enemy. The Army just is not meant for anything else. If the need for the regular army's participation in the Chechen operation is attributed to the Dudayev regime's possession of tanks, artillery, and other heavy armaments, then it was clear right from the beginning that the federal troops would also have to use powerful weapons. With all the ensuing consequences. To demand that the Army carry out perfectly specific orders without using its might would be tantamount to trying to use a bayonet as a fan.

A simple and, quite frankly, fishy intention lies behind all the attempts to pin the whole blame for the Chechen crisis on the men in military uniform. The Army — politicians understand this perfectly — has no intention of participating in a struggle for power. Since there is no danger from it, this is the time to make it a scapegoat. This has been going on since Gorbachev's time, since Tbilisi and Vilnius. Responsibility for the consequences of using the troops with unusual lightness is pinned...on the Army itself. At the same time not just responsibility but also financial costs are quickly being shifted onto the Army's shoulders. Over there, in America, the President hurries to add to the Pentagon's budget in order to compensate for the several billions spent on unplanned operations. But in our country they simply do not pay wages....

So, the results are contradictory. Once again, thanks to the fearlessness and selflessness of its sons, the country has resolved its tasks and defended its interests. It would be a good thing if it did not at the same time forget its duties — both moral and financial — toward those who have carried out its orders.

Chechnya Settlement To Influence Election Campaign

MM0708150795 Moscow ROSSIYSKIYE VESTI in Russian 5 Aug 95 p 2

[Report by Lyubov Tsukanova: "Results of the Week: So Long As There Is Enough Patience and Presence of Mind"]

[FBIS Translated Text] The first peaceful week in Groznyy saw expectations of a swap of the prisoners held by both sides. So far the hopes of the Russian and Chechen women awaiting their sons and husbands outside the OSCE [Organization for Security and Cooperation in Europe] mission are materializing in dribs and drabs: Only a few people have been released. The Chechen side claims that most of the prisoners of war were released previously, while there is every indication that the Russian side is in no hurry to express total confidence that the lists provided by Dudayev's side are definitive and complete. Some Russian soldiers are quite possibly being held by detachments not controlled by Dudayev and Maskhadov and in that case disappointment awaits many of those waiting here.

Disappointment also awaits those who believe that after the signing of the agreement the disarmament of the guerrillas and the withdrawal of the federal troops will take place very rapidly and that the shoot-outs and nighttime attacks and sabotage will stop right away. There are enough armed detachments in Chechnya who are subordinate to no one and have no intention of laying down their arms just because representatives of Dudayev and Moscow have reached an agreement to that effect. They should be disarmed and suppressed jointly and for that reason alone the parties to the agreement cannot "disperse" in an instant. The whole process of Chechnya's demilitarization will take at least two or three months, according to specialists' estimates. It will take the utmost courage and presence of mind on both sides to avoid succumbing to the provocations that will undoubtedly occur.

We have learned from bitter experience not to have much faith in positive changes. Usman Imayev's removal from the leadership of the Chechen delegation was therefore almost seen as the collapse of the agreement. But Dudayev confirmed the accords, acting quite typically for an experienced politician, who is forced to take into consideration the mood of his entourage. The Russian leadership's intention of taking the peaceful route to a settlement of the Chechen conflict has been confirmed at the highest level — in a television statement by Russian President Boris Yeltsin. The president's positions were considerably backed up by a Russian Constitutional Court ruling made public early in the

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week. Many politicians and lawyers view it as logical. In Chechnya at any rate, contrary to expectations, this ruling had no adverse effects. People there prefer to take account of reality, and the reality is that the military agreements should be followed by political agreements, right now at expert level, and later once again via talks between official delegations. One thing is clear today that the elections on which so many hopes are being pinned cannot take place before the guerrillas and the bulk of the population have been disarmed. Otherwise the air will inevitably be cleared not with the aid of ballot papers but under the barrel of a gun.

The progress of the Chechnya settlement can be expected to influence the election campaign elsewhere in Russia. Right now electoral associations are biding their time and during the past week it was mainly the Central Electoral Commission that was the "protagonist" in the electoral campaign; it is now busy coordinating and ratifying all manner of instructions and rules of conduct for the participants — parties, associations, the press, radio, and television. The problem of electoral districts is also "looming" over the Central Electoral Commission. The State Duma is trying to resolve this problem itself — it has already collected the number of signatures needed to convene an extraordinary session in order to return to the law on "carving up" districts. Whether parliamentarians will convene or not is a matter for the next political week.

Chernomyrdin, Yeltsin Aides Attend Funeral

LD0808085895 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0817 GMT 8 Aug 95

[FBIS Translated Text] An Ekho Moskvy radio correspondent reports that the civil funeral for the well-known entrepreneur Ivan Kivelidi [poisoned last week in as yet uncertain circumstances] was attended by Russian Prime Minister Viktor Chernomyrdin; presidential advisers Aleksandr Livshits and Georgiy Satarov; Sergey Krasavchenko, first deputy head of the presidential administration; Vladimir Shcherbakov, chairman of the Russian United Industrial Party; Yabloko party leader Grigoriy Yavlinskiy; and Moscow Mayor Yuriy Luzhkov.

"We are seeing Ivan Kivelidi off on his last journey; a fine man, our friend and comrade Ivan Kivelidi," Vladimir Shcherbakov said in an Ekho Moskvy interview.

He said that business circles are planning to hold a protest action, which will involve banking and various financial circles throughout Russia. He voiced the hope that this action will meet with an appropriate response. As for the actual inquiry into Kivelidi's death, this, in V. Shcherbakov's view, is unlawful. "We do not have the capacity to conduct our own investigation, although the security services and members of the Round Table of Russian Business are trying to gather as much information as possible, in order to help the investigation," he stressed.

"We should reflect hard on the fact that of 30 members of the Round Table, one in three has been killed in a single year. That's no accident," Vladimir Shcherbakov said in conclusion.

Yeltsin Seen Making Preparations for Campaign

MK0508141495 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Aug 95 p 1

[Report by Vladimir Kartashkov: "I Want To Be President. 'Yes' Votes, Please. Yeltsin Has Not Yet Made Up His Mind, But He Has Already Become Motor Pool Director;" followed by N.T.-signed commentary]

[FBIS Translated Text] Last week saw the creation of the second subdivision within the presidential staff (after the Presidential Security Service) that is not subordinate to Sergey Filatov, who is presently on vacation. Thus the staff is becoming just an official front for various state institutions, while providing no control functions at all.

In furtherance of what was once the pivotal presidential edict "On the Structure of the Federal Bodies of Executive Authority," Boris Yeltsin signed yet another document the other day. According to it, the Administration for the Management of Affairs of the Russian Federation president is to become a new federal body.

At the same time, the Administration for the Management of Affairs will be subordinated personally to Boris Yeltsin, not Prime Minister Viktor Chernomyrdin, as it belongs to the so-called federal bodies marked by an asterisk. Thus, in accordance with the Constitution, the Administration for the Management of Affairs will automatically be withdrawn from Sergey Filatov's day-to-day supervision, for the president's chief of staff does not have the right to give orders to federal bodies of executive authority.

The same edict tasks the government with contemplating exempting enterprises and institutions under the jurisdiction of the Administration for the Management of Affairs from customs duties in 1995-1996 on commodities imported for production purposes (this term can have an immensely broad interpretation, from pens to building materials required for reconstruction in the Kremlin); that is, on all imports. At the same time, the

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new-old agency will get a tax loan. Earnings of the Administration for the Management of Affairs from the commercial use of federally-owned assets will be spent to finance "capital expenses for production and nonproduction purposes" incurred by the same agency.

Under its new statute, the Administration for the Management of Affairs will take control of the finances, logistics, social security, and consumer services of all branches of the legislative, executive, and judicial powers. Economic structures of the government, the Federal Assembly, the Constitutional, Supreme, and Higher Arbitration Courts, the Central Electoral Commission, and even the Security Service will from now on be subordinated to Pavel Borodin, chief of the Administration for the Management of Affairs.

One cannot but be amazed at how many various organizations and institutions will be placed at his disposal. The complete list is seven pages long; it includes motor pools, printing houses, catering centers, hotels, agro-industrial associations, information and computer centers, laundries, dressmaking and tailoring workshops, consumer services centers, and sanatoriums, sanatoriums, sanatoriums. These can scarcely even be counted. As a matter of fact, the Administration for the Management of Affairs also has assets in foreign countries, including the "Yantarnyy Bereg" sanatorium in Latvia and the "Ayvazovskoye" holiday center in Crimea. At the same time, this huge infrastructure is accountable to itself alone, for under the new statute any audits or documentary inspections may only be carried by the Administration for the Management of Affairs alone.

Generally speaking, the bottom line of setting up a new federal body is not quite clear, for this is essentially but a ministry to cater to the needs of top state officials, legislators, and judges at work and on vacation. The Administration for the Management of Affairs successfully tackled these duties even before that, however, while at the same time remaining a powerful source of funding for the presidential staff. Now Sergey Filatov's staff has been divorced from the financial support of its largest division.

The circulation of money is now limited to the Administration for the Management of Affairs and the president himself. How this money will be spent is unclear. The term "capital expenses" is not defined anywhere. It is hard to believe, however, that the Administration for the Management of Affairs will spend all its earnings without any balance "to ensure public catering and to provide physical-culture, health, cultural, educational, and other requisite social services at office buildings of bodies entitled to such services." Meanwhile, the statute also calls for the possibility of setting up a reserve fund, to which proceeds from the Administration's operations will be remitted. In time, the fund has a chance to become either an analogue of the mythical "CPSU money" or one of the key sources of financing Boris Yeltsin's next election campaign.

[Article includes the following commentary signed 'N.T.']

Boris Nikolayevich has not yet made up his mind as to whether he would like to occupy the presidential office for yet another term, but "work horses" (this is what the members of the Public Committee for Nominating B. N. Yeltsin Candidate for Russian Federation President call themselves) are ready to pull the wagon with their candidate to the heights of the political Olympus. This is what they told journalists at their first news conference.

The committee is headed by V. Kamchatov, presidential representative in Moscow. He said that the president's indecisiveness is a temporary phenomenon and that it will be overcome in January, when the signatures of the millions of Russians supporting the incumbent head of state are placed on Boris Nikolayevich's desk. If, God forbid, Yeltsin chooses the career of pensioner, all the votes thus raised will be used to back the successor he designates.

The "committee members" were unabashed by the fact that the president's approval rating is so low that any talk of popular love is out of the question. They believe that everyone likes the president in the bottom of their heart and criticizes him only because he or she — being unsophisticated people — ascribes all mistakes made by the government to the innocent "guarantor of political stability." In order to open the voters' eyes it was recommended to the presidential representatives on the ground that they launch a preaching effort on Boris Nikolayevich's favor. In Samara, meanwhile, a party named "Russia — a Presidential Republic" has already held its congress and set corresponding objectives.

Can you imagine how the country's best people will be beseeching Yeltsin in January — citing the views of millions of Russians — to try to become president yet another time? And what a touching scene will be displayed before our eyes when Boris Nikolayevich, after balking at the idea for some time to observe the proprieties, finally makes his people happy by giving his consent.

Yeltsin Signs Laws on Taxes, Social Insurance Fund

LD0708175395 Moscow ITAR-TASS in English 1627 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, August 7 (ITAR-TASS) — Russian President Boris Yeltsin on Monday

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approved amendments to federal laws "On the Customs Duty" and "On the Value-Added Tax" earlier passed by the parliament to foster the implementation of housing and infrastructure construction programmes for Russian servicemen. The federal law amending the regulations was passed by the State Duma on July 13, 1995, and approved by the Federation Council on July 21, 1995.

Yeltsin also signed a law "On the Budget of the Social Insurance Fund of the Russian Federation for FY 1995" which was passed by the lower house on July 21 and approved by the upper house on July 28, 1995.

The laws will come in force on the date of being published in the press.

Yeltsin Signs Amendment to Income Tax Law

MM0808103095 Moscow ROSSIYSKAYA GAZETA in Russian 8 Aug 95 p 1

[Russian Federation Federal Law No. 125-FZ, signed by President Yeltsin on 4 August: "On Amendments to Article 9 of the Russian Federation Law 'On Income Tax on Individuals'" — passed by the State Duma 20 July; adopted by the Federation Council 28 July]

[FBIS Translated Text] Article 1. The following amendments shall be made to Article 9 of the Russian Federation law "On Income Tax on Individuals" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, No. 12, 1992, p. 591; SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, No. 35, 1994, p. 3654):

Parts 1 and 2 make read:

"Enterprises, institutions, and organizations are obliged to remit to the budget the amount of tax assessed and withheld from individuals no later than the date on which the cash funds for salary payments are received by the bank or no later than the date on which the sums due to workers are transferred in the bank from the accounts of the aforesaid organizations on the instructions of those workers.

"Enterprises, institutions, and organizations without bank accounts or which pay salaries out of earnings from the sale of output, the completion of work, or the provision of services, shall remit the assessed amounts of tax to the banks no later than the day after salaries are paid."

Article 2. This federal law comes into force from the day of its official publication.

[Signed] Russian Federation President B. Yeltsin

[Dated] Moscow, the Kremlin, 4 August 1995

No. 125-FZ

Yeltsin Vetoes 'Contradictory' Foreign Trade Bill

LD0708151495 Moscow INTERFAX in English 1508 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 7 (INTERFAX) — Russian President Boris Yeltsin vetoed Monday the federal bill on state control of foreign trade that was passed by the lower house on July 7 and approved by the upper house on July 21, 1955.

The presidential press service said that the bill is largely inconsistent with the Russian Constitution, Civil Code and customs regulations.

The bill is also said to be contradictory and have numerous technical legal flaws. Unless these are remedied, foreign trade will not have a proper legal framework for state control of foreign trade.

The president thinks that the bill has to be improved with the aid of the president's staff and passed before the term of this State Duma ends. Criticism of specific articles of the bill will be sent to the lower house later.

Yeltsin Again Vetoes Agricultural Cooperation Law

MK0508153295 Moscow SEGODNYA in Russian 4 Aug 95 p 2

[Report by Elmar Murtazayev: "Boris Yeltsin Has Again Turned Down Law on Agricultural Cooperation"]

[FBIS Translated Text] Boris Yeltsin has again turned down "The Law on Agricultural Cooperation," which had been approved by the Federal Assembly of Russia. In his letter to Duma Speaker Ivan Rybkin, the president accounted for his rejection in terms of "the incongruity of the approved bill with the Russian Federation Constitution and some provisions of the Civil Code of Russia." The reason came as no great surprise to the members of the State Duma Subcommittee for Agrarian Issues. Vasiliy Vershinin, subcommittee chairman, in his interview with your SEGODNYA correspondent referred to the president's response as "standard" and "echoing his first one." It will be recalled that the law on agricultural cooperation was first rejected by the president of the Russian Federation earlier this May, and then, for two months, was worked at by the State Duma Conciliation Commission and representatives of the president's side headed by Alfred Kokh, deputy chairman of the State Property Committee. Following its approval by the Federation Council, the law was once more submitted to the president for consideration. The major issue that brought about debate was the procedure envisioned in the law for turning over a land (or property) share by a proprietor when joining an agricultural

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cooperative. According to some parliamentary factions ("Russia's Choice," "Yabloko") and executive authorities, the law was hampering the free sale and purchase of land. The State Duma Subcommittee for Agrarian Issues, however, considers Mr. Yeltsin's decision "unprecedented in the practice of either the State Duma or the former Supreme Court of the RSFSR [Russian Soviet Federated Socialist Republic]." Mr. Vershinin believes that the president's decision looks a bit odd, as a team of drafters has already included in the law the amendments suggested by Mr. Kokh. Moreover, in the course of the five hearings the law went through in the State Duma, not once had it been found by the Duma legal directorate to contradict the Constitution and the Civil Code. In his forecast of the situation's further development, Mr. Vershinin said that following the parliamentary summer recess, the issue of overcoming the presidential veto will be on the agenda of the Duma session. He is not very hopeful about the chances of overcoming the veto, as it is going to be very difficult to collect the required 300 votes given the traditionally pro-government stand of the "Stability" group deputies. Thus, the law is most likely to pass during the second stage of coordination with the president's representative.

Text of Yeltsin Edict on Agricultural Technology

LD0708192895 Moscow ITAR-TASS World Service in Russian 1342 GMT 7 Aug 95

[FBIS Translated Text] Moscow, 7 Aug (ITAR-TASS) — Russian President Boris Yeltsin today issued an edict "On additional measures to provide the agro-industrial complex with machinery for the 1995 harvesting."

The text of the edict is as follows:

1. In a partial amendment to the edict of the president of the Russian Federation of 23 May 1994, No. 1003 "On the reform of state enterprises" (Code of Laws of the Russian Federation, 1994, No. 5, page 393), it is deemed advisable to set up state [kazennyye] enterprises in 1995.

2. The government of the Russian Federation is to:

— allocate until 10 August 1995 to the Ministry of Agriculture and Food of the Russian Federation funds to the sum of 365 billion rubles that have been released in connection with the implementation of Article One of this edict, ensuring that they are directed toward increasing the leasing fund to provide agricultural goods manufacturers with combine harvesters and other machinery necessary for carrying out the harvesting;

— organize the delivery of this machinery in accordance with the established procedure for providing the agro-industrial complex with machine-building output on a leasing basis.

3. The government of the Russian Federation is to introduce within a period of 10 days proposals for additional measures of state support for enterprises of the defense complex for the purpose of compensation from the funds that have been released in connection with this edict.

4. The Ministry of Finance of the Russian Federation is to ensure control over the special use of funds as indicated in Paragraph 2 of this edict.

5. This edict comes into force from the day of its signing.

Daily: Chernomyrdin Seen Supporting Nemtsov

MK0708081695 Moscow SEGODNYA in Russian 5 Aug 95 p 2

[Report by Vyacheslav Chebanov: "Viktor Chernomyrdin Has Backed Boris Nemtsov's Idea of Saving Population's Bank Deposits. Premier Intends To Support Him in Gubernatorial Elections in Nizhniy"]

[FBIS Translated Text] Boris Nemtsov met with the Russian premier this week. The governor requested Mr. Chernomyrdin's authorization to implement a program providing compensation for those residents of Nizhniy Novgorod who had deposited their money in the local "Nizhegorodets" and "Progress" Banks, which went bankrupt.

The program provides for performing operations with municipal and federal real estate liable to sale. The assets of this property, which are hardly liquid, will be included in the authorized fund of two viable local financial structures — "Inkombank" and "Garantiya" Bank. The funds obtained from the sales will be used for compensation purposes and given to the depositors of "Nizhegorodets" and "Progress."

Viktor Chernomyrdin approved of this project to help local residents. If the idea works in Nizhniy [Novgorod], it will spread throughout the whole of Russia, the premier said.

According to the press service of the local administration, Boris Nemtsov managed to come to an agreement with the premier on repayment of the 30 billion [ruble] debt owed by the Russian Federation Pension Fund to the Nizhniy Novgorod area. Viktor Chernomyrdin assured Boris Nemtsov that he had given the Pension Fund firm instructions to this effect.

Another instruction from the premier was passed to the Russian Federation Ministry of Finance. The ministry is

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required to reduce the federal budget's debt to the local one by 40 billion rubles.

Boris Nemtsov invited the premier to visit Nizhniy Novgorod on City Day (10 September) and the invitation was accepted. While discussing another problem, fairly significant for Nemtsov — that of the gubernatorial elections — Viktor Chernomyrdin said that he is going to support Nemtsov in the forthcoming elections. To this Boris Nemtsov discreetly replied that it is the local population that needs the premier's support first of all.

Government Discussions on Budget, Economy Viewed

MM0708192095 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 5 Aug 95 p 2

[Report by Vladimir Kucherenko under the "In the Government" rubric: "Growing Difficulties?"]

[FBIS Translated Text] The Russian Government sessions of 31 July and 3 August were held behind closed doors. The results of the fulfillment of the federal budget in the first six months of the year, the socioeconomic situation in the same period, and also the economic forecast for next year and the draft 1996 budget were discussed. The latter was approved after sharp debate. So how much of what was planned was achieved, and how much was not?

Yes, inflation fell, but not to the promised 1-2 percent per month, but to 6-8 percent. Not least because revenue shortfall in the first six months of the year reached 20 trillion rubles [R]. In the words of Finance Minister V. Panskov, the need to pay back the 1993 and 1994 debts played a fatal role in this.

On the other hand, First Deputy Economics Minster Ya. Urinson stated that the growth of prices in the last quarter occurred for nonmonetary reasons: They were inflated by the uncontrolled monopolies — rail, power, and gas.

Urinson admitted: Today we do not know how to act to prevent the diktat of the monopolies; restrictions on price increases in them must be introduced.

There was also marked friction with the largest monopoly — the "Gazprom" Russian Joint-Stock Society. The statements of Ye. Yasin, chief of the Ministry of Economics, that he did not know of "Gazprom's" financial status, and that the premier had instructed him to prepare the abolition of concessions granted to "Gazprom" to form a stabilization fund, caused a great fuss. In response, "Gazprom's" leadership accused Vice Premiers A. Chubays and Ye. Yasin and the Ministry of Finance of seeking to throw a fiscal noose round the concern's neck.

The other side of the coin is beating inflation and stimulating economic growth with the aid of centralized investments distributed on the principle of "one state ruble to every four private rubles." A state commission selects projects for such investment. In 1996 it is proposed to give R1.3 billion for these purposes. But, V. Panskov and Ya. Urinson stated for the press, the Central Bank has still not opened special accounts into which to pay the funds for the victorious projects, which have "notched up" R300 billion.

At the same time the Ministry of Finance has granted loans worth R2 trillion to the regions for economic structural overhaul. At the same time V. Panskov acknowledges that there are no controls over the efficiency and targeted use of the loans, and hence they could be sued for speculation, thereby whipping up inflation. The Ministry of Finance is against this practice, since this means cutting expenditure on such vital central investments.

As a result of these factors, it is not possible today to talk of the unequivocal success of economic policy. Alas, so far "the state's role is inadequate," and this means not that there are too few functionaries, but too little discipline and rational regulation, and too few controls.

Presenting the draft of the new budget, V. Panskov and Ya. Urinson were optimistic about finally managing to beat inflation down to 1-2 percent per month, thereby bringing about an influx of private capital into production. But now other worries are being added to the work of restoring order to the state machine: the squabbles in parliament over the 1996 budget on the eve of the elections. And since critical voices are already being raised in the Duma, the problem promises to be far from easy.

Kokoshin Critical of 1996 Draft Budget Provisions

MM0708160195 Moscow KRASNAYA ZVEZDA in Russian 5 Aug 95 p 2

[Own information/ITAR-TASS report: "The Draft Budget Will Have Additional Work Done on It"]

[FBIS Translated Text] At the 3 August session of the Russian Federation Government, when discussing the draft budget for 1996, Andrey Kokoshin, Russian Federation first deputy minister of defense, criticized a number of the provisions of this document, primarily those relating to defense spending. In the opinion of the first deputy minister of defense, the draft budget cannot be submitted to the State Duma in its present form.

Defense spending has been unjustifiably understated in the submitted draft, A. Kokoshin said. The country's defense might is needed not only to defend Russia and its

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allies against external aggression but also to ensure the appropriate level of influence in international relations, including for the creation of favorable conditions for the country to attain its proper place in the world economy. Most of this spending has a direct social thrust, the Russian Federation first deputy minister of defense pointed out.

In order to ensure the worthy maintenance of the Armed Forces, primarily proper living standards for servicemen and their families and the necessary scale of capital construction, of acquisition of arms and military hardware, and of defense research and development, the maximum account should be taken of the Defense Ministry's budget claim providing for a definite increase in defense spending at least in line with the growth in GDP, Andrey Kokoshin emphasized.

According to available information, the government, whose session was held under the chairmanship of Viktor Chernomyrdin, was very understanding of the Defense Ministry's arguments, although many leaders of departments are unenthusiastic, to put it mildly, about defense spending, which constitutes a major part of the budget. After approving, on the whole, the submitted draft budget, the government adopted a decision to do additional work on it within the week, primarily in the section concerning national defense.

Commission Clarifies Election Law for Parties

MK0608105095 Moscow SEGODNYA in Russian 5 Aug 95 p 1

[Report by Gleb Cherkasov under the "Consultations" rubric: "Central Electoral Commission Leaders Meet With Representatives of Electoral Associations"]

[FBIS Translated Text] Yesterday [4 August] the leadership of the Central Electoral Commission [CEC] clarified the rights, obligations, and possibilities of all-Russia associations planning to contest the parliamentary elections. Although most leaders of parties and movements had other business to attend to on that day, the hall of the Parliamentary Center was full: A total of 183 out of the 259 organizations entitled to contest the elections delegated representatives to meet with CEC Chairman Nikolay Ryabov and his colleagues.

Mr. Ryabov emphasized that the situation surrounding the legislative framework for the elections has been compounded by the absence of a law on districting in single-seat districts. The CEC chairman pointed out, however, that although "the best option would be for the State Duma and the Federation Council to adopt such a law in the remaining days of August," there is still the "possibility of using the 1993 map all the same."

Olga Zastrozhnaya, a member of the CEC, told candidates for the Duma that although under the Law on Elections they can be contested by organizations registered six months before the elections are called, "transitional provisions" necessitated by the fact that the law was passed quite recently will enable organizations registered six months before the voting itself to field their candidates. According to Ms. Zastrozhnaya, an electoral association is entitled to field 270 candidates on its federal list and another 225 candidates in majority system districts. Olga Zastrozhnaya told representatives of parties and movements that owing to the absence of legislation regulating the conduct of elections under the majority system, the association may hold its pre-election congress in two stages: At the first stage it can compile its federal list — and at the second, the list of candidates to run in single-seat districts.

DPR Debates Decision To Merge With CRC

MK0508151895 Moscow SEGODNYA in Russian 4 Aug p 2

[Report by Gleb Cherkasov: "DPR Chooses Between Merger With CRC and Independent Participation in Elections"]

[FBIS Translated Text] Tomorrow the 8th Congress of the Democratic Party of Russia [DPR] is due to start in the Moscow area. Despite the fact that virtually all such events of the DPR have been accompanied by sharp debate, the forthcoming congress will likely be unprecedented for its outburst of passions — it is not by chance that the organizing committee decided to deny journalists and observers access to the event.

The differences boil down to the following: A part of the DPR members led by Sergey Glazyev, chairman of the DPR national committee, has come out in favor of an election alliance of their party with the Congress of Russian Communities [CRC] (with Yuriy Skokov as its leader), while their opponents, including Stanislav Govorukhin, chairman of the Duma faction, insist on the party's independent participation in the elections.

Mr. Glazyev believes that the CRC is set up as "a team of responsible, authoritative, and influential people who have proven themselves competent, each in his own field." According to him, the alliance between the DPR and the CRC "will create the critical mass to attract other opposition organizations." Sergey Glazyev tends to account for the downright rejection of the CRC and DPR merger proposals on behalf of Mr. Govorukhin by his "personal sentiments and ambitions." It will be recalled that Stanislav Govorukhin has stated of late that, in case of an electoral coalition between the DPR and the CRC being formed, he will refuse to participate

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in the election campaign as a member of the coalition and will run in a single-seat constituency.

The outcome of the struggle at the 8th DPR Congress is difficult to predict: at least both sides are confident of their success. The people close to Mr. Glazyev do not rule out that a compromise might be agreed on: Some of the party members will be integrated into the CRC, and some will enter coalitions with other electoral associations or will emerge in the elections independently.

At the same time, the opponents of the DPR and the CRC merger maintain that an alliance with Skokov will result in the loss of political independence by the Democratic Party, and recall the fate of the Republican Party of Russia, which was one of the co-founders of "Yabloko" in 1993 and, half a year later, painfully left the ranks of Grigoriy Yavlinskiy's adherents. Moreover, some of the DPR activists think, the Congress of Russian Communities ought not to be unconditionally ranked among the opposition associations.

Youth Movement Plans Independent Electoral Bid

MK0708083495 Moscow SEGODNYA in Russian 5 Aug 95 p 2

[Report by Viktor Khamrayev: "Sociopolitical Youth Movement Will Emerge in Elections Independently. Since "People Are Not Horses, After All"]

[FBIS Translated Text] To construct "Russia not according to Chubays but according to Mendeleyev; the parliament not according to Sheynis but according to Sakharov; the armed forces not according to Grachev but according to Suvorov; the rural economy not according to Lapshin but according to Chayanov" is the intent of the Sociopolitical Youth Movement (SPYM), if its policy statement, called "Let Us Believe Each Other," is to be believed. The text of the statement was handed to delegates of the movement's all-Russian conference yesterday.

Yesterday's conference was SPYM's second, the first having been held in late May. The founding conference, it turned out, had no time to elect the movement's executive committee. That was probably the reason why in the wake of the first conference, the organizing committee found itself under a barrage of letters by 30 participating organizations giving notice of their intention to withdraw from the movement. By the time the second conference opened, however, the problem with the withdrawal notifications had been settled and a quorum secured, as representatives of 29 organizations arrived.

The backbone of the second youth conference was constituted by the graying activists of the Youth Housing Complexes Union and representatives of the Russian Union of Student Councils (RUSC) ["SSSR" in Russian], looking a bit on the overripe side. They convened their second conference to elect the executive committee and consider the convocation of the next conference (in early August — late September) to set up a united youth electoral bloc.

It did not take them long to elect an executive committee. Its chairman is Sergey Babkin, president of the National Youth Fund established by presidential edict. The architects of the movement accounted for the need for a youth bloc by the fact that the programs currently put forward by various parties are intended for a period of 10-20 years. Thus, it is for the young to implement them. The authors of the youth's policy program maintain, however, that all programs proposed by other parties do nothing but pave the way for "the transformation of the ruling apparatus." Yet, people, the youth's statement goes on to say, "are, after all, not horses.... to bend their necks to new, venturesome 'jockeys'." That is why, the delegates of the conference believe that youths should emerge in the elections as a united bloc.

Vladimir Lepekhin, RUSC leader and current State Duma deputy, commenting on the results of the conference, told your SEGODNYA correspondent that the "Russia Is Our Home" bloc has already shown interest in SPYM's election moves. At the same time, the youth movement will not associate itself with any of the blocs in the elections, Mr. Lepekhin said. Only after they secure seats in the new Duma, in the deputy's view, could those chosen by the youth movement prop up "from below" the factions of Messrs. Chernomyrdin and Rybkin. Mr. Lepekhin thinks that Chernomyrdin's bloc is likely to claim the lower house's economic committees, while Rybkin's bloc is going to receive the social committees. The sociopolitical committees, Mr. Lepekhin believes, could go to the SPYM bloc's nominees.

Far East's Power Engineers To Receive Money

LD0808111095 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (INTERFAX) — The Russian government will allocate 88 billion rubles in August for paying the debt of state organizations to Far Eastern power engineers, sources at the Rosugol state company, which controls the majority of Russian mines, told INTERFAX Tuesday.

A considerable part of this sum will be used to pay the debt of energy producers for coal supplies, and for building up coal stores for fall-winter of 1995-1996.

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The money will be allocated under a schedule approved in mid-July by First Russian Deputy Prime Minister Anatoli Chubays. In the third quarter of this year the government will allocate 263.7 billion rubles for support of Far Eastern power engineers. A total of 86 billion rubles has been transferred to regional administrations for payment of July's debt to energy producers. Another 89.7 billion will be allocated from the budget in September.

Much of this money will be transferred to the Primorye and Khabarovsk territories. In August they will receive 30 billion and 22 billion rubles correspondingly. All in all, the Primorye territory will receive 90.3 billion rubles and the Khabarovsk territory - 72.4 billion rubles.

At the same time, Dalenergo, the energy monopoly in the region, owes about 176 billion rubles to Primorye miners alone, general director of the Primorskugol joint-stock company Anatoliy Vasyanovich told INTERFAX. This debt resulted in a crisis at Primorye mines in July 1995.

Media Issues

Ryabov Details Rules on Campaign Material in Media

MM0808100195 Moscow ROSSIYSKIYE VESTI in Russian 5 Aug 95 p 3

[Unattributed report: "Election Campaigning Must Be Carried Out Primarily By State Mass Media"]

[FBIS Translated Text] Central Electoral Commission [CEC] Chairman Nikolay Ryabov thinks that equal opportunities in the election campaign cannot be ensured without electoral associations having equal access to the mass media, primarily the electronic media.

The all-Russian state television and radio companies should play a crucial role in ensuring this equality.

Moreover, the CEC chairman believes that election campaigning could be concentrated in the state electronic mass media alone.

In accordance with the draft directive formulated by the CEC, free campaigning in the mass media will be possible a month before the elections, that is, as of 15 November 1995 while paid campaigning will be available from the moment that the electoral association is officially registered.

Unlike the electronic mass media any periodical press publications will be able to disseminate political campaign material, including direct publicity. But state newspapers must comply with the principle of equality in terms of volume, placement of items, and other conditions governing campaign materials published free of charge. The volume of contract (paid) articles of this kind should not be more than three times the volume of free material.

According to Nikolay Ryabov, the CEC will actively ensure that all spending on election campaigning by electoral associations is only conducted using their officially registered electoral funds.

Private TV, Radio Not To Air Political Ads

MK0508065895 Moscow SEGODNYA in Russian 3 Aug 95 p 2

[Report by Viktor Khamrayev: "Nikolay Ryabov Announced Rights of Candidates in Election Campaign and Responsibilities of Mass Media. Contenders for Deputies' Seats Will Be Denied Access to Private Television and Radio"]

[FBIS Translated Text] Not a single minute of air time at private (nonstate) television and radio companies will be given to either Federal Assembly election candidates or the blocs and associations nominating them. This restriction has been introduced by the Central Electoral Commission in its instructions on the use of air time and the publication of election materials during the official propaganda campaign.

Although the draft instruction discussed yesterday by Nikolay Ryabov and the media leadership has not yet been approved, private radio and television companies will unquestionably be cut off from the flood of political advertising scheduled for one month — from 15 November (10 November in the provinces) to 15 December. The harsh restriction has been substantiated by the authors of the instruction by a few lines from Article 47 of the "Law on the Election of State Duma Deputies:" "Candidates for deputy shall enjoy the right to air time on the channels of state television and radio companies..." The absence in the text of the qualifier "only" after the word "time" does not disconcert the Central Electoral Commission.

At the same time, the instruction allows the contenders for parliamentary seats to publish in private newspapers and magazines.

State companies, and semistate ones for that matter, will grant all candidates, blocs, and associations air time free of charge for at least an hour, from 0700 to 0900 in the morning and 1900 to 2300 at night. The order in which the numerous candidates are to go on the air will be determined by casting lots. It is believed that all those eligible for participation in the election are to draw lots in the presence of observers from the Central Electoral Commission, the all-Russian state radio and television

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companies, and the Court Chamber for Informational Disputes under the president of the Russian Federation.

A candidate may pay at will for extra time to communicate with viewers and listeners. Nonetheless, under the instruction, air time, even that paid for by a candidate, may not surpass the free amount by more than three times.

As for the state-controlled press, candidates, blocs, and associations are entitled to one free publication.

The instruction details the forms of election propaganda — a speech, an interview, a roundtable meeting, and others — providing a corresponding definition of each. The responsibilities of state media to render assistance in free propaganda to the aspirants for deputies' seats are also specified. The expenses of state television, radio, and press are to be reimbursed later out of respective budgets (federal, regional or local).

Tomorrow [4 August] the draft instruction is to be discussed by the election blocs, associations, and parties.

Media Involvement in Election Campaign Questioned

LD0708121495 Moscow Russian Television Network in Russian 1000 GMT 7 Aug 95

[Video report correspondent T. Aldoshina; from the "Vesti" newscast]

[FBIS Translated Text] [Aldoshina] It seems that the electoral campaign in Russia has begun with legislative problems. They affect the mass media and, consequently, the right of the electoral blocs' candidates to free campaigning which is, of course, only possible in the state media. The Center for the Defense of the Rights of the Press [Tsentr zashchity prav pressy]) believes that Russian legislation allows the mass media to be considered as belonging to the state even in cases where the state owns only five percent of the founding rights. This is very convenient for the Central Electoral Commission but not quite right from the legal point of view.

[Begin Ye. Guseva recording, lawyer for the Center for the Defense of the Rights of the Press] There must be a clearer delimitation of the state mass media and the definition should probably be based upon the controlling package or the deciding voice. [end recording]

[Aldoshina] As for printed material, Ivan Laptev, the new head of the Russian Press Committee, believes that the Central Electoral Commission can only ask for free campaigning in the four federal publications that the state finds possible to finance at least in part. These are the magazines RODINA and FEDERATSIYA and the newspapers ROSSIYSKIYE VESTI and ROSSIYSKAYA GAZETA. Otherwise the Russian Press Committee does not believe it possible to intervene in the work of newspapers and magazines that will inevitably be drawn into the electoral campaign.

[Begin Laptev recording] As for any special instructions or special forms of work with the press from the point of view of the committee, then I can assure you that we have no intentions of the sort. [end recording]

[Aldoshina] The State Duma is a lot more critical of the Central Electoral Commission's instruction on electoral campaigning. The instruction contains nothing not already catered for by federal laws while by itself this document merely creates confusion at the start of the electoral campaign. That is the opinion of Igor Yakovenko, the chairman of the State Duma Press Committee.

[Begin Yakovenko recording] An unnecessary stir is being created. Certain precedents are being set. Perhaps this is a kind of test to gauge the reaction of public opinion and the press? This is dangerous. I think that this has nothing to do with legality or illegality or the real rules of the political game. [end recording]

[Aldoshina] Opinion at the Duma today has it that the Central Electoral Commission is trying to expand its sphere of influence by handing out various instructions and recommendations while Duma deputies are counting on passing a law on electoral campaigning and political advertising before this year's legislative elections in December. Such a law would mean that the Central Electoral Commission would no longer have to publish normative acts that do not have the force of law.

Military Issues

Paratroopers Withdrawn From Moscow

LD0808105695 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (INTERFAX) — Units of the 98th and 106th Russian air borne divisions have been withdrawn from Moscow in accordance with the government resolution of August 3, First Deputy Commander of Russian Air Borne Troops Lieutenant-General Aleksandr Chindarov told INTERFAX Tuesday.

In his words, the troop withdrawal started on Saturday and only rear units are now left in Moscow to take inventory of troop property.

The paratroopers were brought into Moscow in mid-July to prevent possible terrorist attacks by Chechen militants. Their task was to guard major facilities and

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administrative buildings in the Russian capital. The units of the 98th and 106th air borne divisions were stationed on Khodynka field.

Chindarov told INTERFAX that all the facilities that had been under the watch of the paratroopers are being controlled by the Moscow Main Interior Department.

Federal Assembly

Council's Gonchar on Chechen Settlement, Budget

MK0508143695 Moscow KURANTY in Russian 4 Aug 95 p 3

[Interview with Nikolay Gonchar, chairman of the Federation Council Committee on the Budget; Financial, Currency, and Credit Regulation; Money Creation; Tax Policy; and Customs Regulation, by Vitaliy Reznikov; place and date not given: "Nikolay Gonchar's Chechen Alternative" — first passage is KURANTY introduction]

[FBIS Translated Excerpt] Is it difficult to be a senator? I asked this question, perhaps not a very clever one, at the end of a 40-minute audience kindly granted to me by Nikolay Gonchar, member of the Federation Council and chairman of the Committee on the Budget; Financial, Currency, and Credit Regulation; Money Creation; Tax Policy; and Customs Regulation. The Russian senator heads what is perhaps the most important, if not paramount, sector of the upper chamber of our parliament. Evidently for this reason not very cheerful intonations crept up time and again in the senator's voice every time we spoke about where our money goes and where, as the senator sees it, it should go. Probably the same considerations prompted the unexpected emergence of Nikolay Gonchar's article in a newspaper for young people on the tiresome but crucial "Chechen problem...."

[Reznikov] Nikolay Nikolayevich, I sympathize with your idea of resolving the Chechen crisis, even if it is fairly radical compared to that puffed up at the talks in Groznyy. Indeed, you offer the "intransigent" Chechen side full independence from the Russian budget, and also from the Russian territory that was once "granted" to Checheno-Ingushetia as compensation for Stalin's arbitrariness. In other words, you seem to be saying: "Listen, guys, if you want to secede from Russia, please, switch to "complete self-financing," plus we'll take from you the former territory of Stavropol Kray that was granted to you so you could feed on it." Is this so?

[Gonchar] Absolutely.

[Reznikov] And what if the Dudayevites do not accept that?

[Gonchar] If they disagree with this concept, this means that such arguments turned out to be insufficient for them. Let us remind them then: Two rayons of Stavropol Kray were turned over to them some time ago as compensation. They say: We want to secede from Russia. But we gave you these areas when you were part of the Russian Federation. We do not want to be part of Russia. No, sirs, this won't do, you may do as you please, but give us our territory back... And yet another aspect is also emerging: There are also opponents of the Dudayev regime there, and for some reason we sometimes forget about them. Then we ask a rhetorical question: Do you all want to secede from Russia? Maybe we should ask the population of your Ichkeriya about that?

[Reznikov] You think there will be no unanimous answer?

[Gonchar] No, there won't. There are various people there. There are clans, teyps, and so forth. Chechens in the mountains and Chechens in the plains are completely different people. For Gantemirov was from the lowland. Dudayev had a support base "on high." And it was only the not very clever policy of ours that succeeded in setting almost all of Chechnya against Russia. My firm conviction is that the Chechen people should make up their minds on that by referendum. [passage omitted]

[Reznikov] Let us switch, with your permission, to day-to-day business. What is your main concern at this stage, this very hour?

[Gonchar] The budget... the social sector. I am thrown off balance by the fact that the budget revenue we were at such pains to raise is now being thrown down the drain in Chechnya.

[Reznikov] Is this our main drain now?

[Gonchar] We have many "drains." I have my own view of the current economic policy, but in any event we ought to make the most of every ruble. If that same Chechnya is so eager to exercise its right to self-determination, why should we throw billions of rubles into Chechnya and not in Ryazan? Why not on the subway? Why not on Sakhalin? We should not pay from the people's budget for politicians' mistakes. Even if very high-ranking ones.

[Reznikov] Will next year's budget be better than that of this year?

[Gonchar] It should be better. And there are good prospects for that. We should make up our mind in a definite fashion with regard to economic policy and a system of priorities. We should spend money on what is the most important. We should take care of pensioners,

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children, young people. This is the key question. And we should finally come to grips with our domestic industry. Russia cannot and must not be a raw materials appendage to the world market.

Isakov Doubts Yeltsin Veto of Council Law

MM0808104395 Moscow SOVETSKAYA ROSSIYA in Russian 8 Aug 95 p 1

[ITAR-TASS report: "Legal Tangle. Vladimir Isakov: 'I Do Not Think as Unequivocally as Vladimir Shumeyko Does That the President Will Veto the Law on the Formation of Federation Council'"]

[FBIS Translated Text] Moscow, 7 August — "I do not think as unequivocally as Vladimir Shumeyko does that the president will veto the law on the formation of the Federation Council." That is how Vladimir Isakov, chairman of the Duma Committee for Legislation and Judicial-Legal Reform, commented to your ITAR-TASS corespondent on the statement made by the speaker of the upper chamber of parliament. Straight after the Federation Council had ratified this legislative act, which had been adopted by the State Duma, Vladimir Shumeyko stated that Boris Yeltsin has no choice but to return this law to parliament.

"It is no accident that the president is having doubts, and it seems to me that this is not just a question of the letter which Vladimir Shumeyko sent Boris Yeltsin a few days ago, insisting that the president should resort to a veto," Vladimir Isakov explained. "What is more to the point is that the Constitution does not provide a clear interpretation of how to form the Federation Council — whether by delegating administration heads to the chamber or by means of elections," he noted.

"Vladimir Shumeyko's address essentially constitutes putting pressure on the president, who finds himself in a difficult legal situation," Vladimir Isakov noted. "Obviously Vladimir Filippovich represents the section of conservative administration heads and regional leaders who would like to occupy a seat in the Federation Council without elections, and automatically obtain another portfolio and another safeguard without declaring an election program to the people and without being accountable to them," Vladimir Isakov stated.

"Not signing the law on the formation of the Federation Council in the version that both chambers have adopted would, to my mind, create another constitutional crisis, and I do not think that the head of state will want to do this," Vladimir Isakov stressed.

Rybkin Demands Council Examine Draft Laws

MM0808095895 Moscow ROSSIYSKAYA GAZETA in Russian 8 Aug 95 p 2

[Report by Aleksandr Ivanov: "Speaker Hurrying Laws Through"]

[FBIS Translated Text] A session of the Public Consultative Council chaired by the State Duma chairman has been held at the lower house of parliament. It summed up the results of the third session of the house and discussed preparations for the parliamentary elections.

Touching on the problem of cooperation between the Federal Assembly chambers, Ivan Rybkin stressed that henceforth State Duma deputies intend to strictly monitor the observance of constitutional norms when laws adopted by the Duma are being examined by the Federation Council.

"If after being adopted by the State Duma a federal law is not examined by the Federation Council within two weeks, it must under the Constitution be sent for signing by the Russian Federation president," I. Rybkin said. "Otherwise we will be forced to appeal to the Constitutional Court."

This hard-line statement from the speaker was prompted by the fact that the Federation Council has started examining a law on the formation of its chamber and doing so later than the dates laid down by the Constitution, effectively having no right to do so.

The session participants devoted particular attention to the problem of strengthening centrist forces on the eve of the parliamentary elections. In the State Duma chairman's opinion, it is political centrism that can ensure that Russia moves stably toward civic peace and social democracy. I. Rybkin expressed confidence that, following the State Duma elections, deputies who support the political center will have been able to win up to 30 percent of the vote and ensure that the legislative chamber's work is stable. The speaker also reaffirmed that the left-of-center bloc which he leads and the Agrarian Party of Russia [APR] will cooperate closely in single-seat districts.

Incidentally, ROSSIYSKAYA GAZETA has repeatedly quoted APR leader Mikhail Lapshin's dissenting opinion on this score.

Report Cites Zadornov on 1996 Draft Budget

MK0608074295 Moscow SEGODNYA in Russian 5 Aug 95 p 2

[Report by Svetlana Lolayeva: "In the Duma They Are Ready To Start Work on the 1996 Draft Budget. Mikhail

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Zadornov Hopes the Finance Ministry Will Not Delay Proposing It Until the End of August"]

[FBIS Translated Text] The State Duma working group to prepare the draft federal budget for the first reading is ready to go to work right after the government officially proposes the draft. This was stated in an interview to your SEGODNYA correspondent by Mikhail Zadornov, chairman of the Duma's Budget, Taxes, Banks and Finance Committee. According to Mikhail Zadornov, a directive on the working group that includes representatives of virtually all factions and committees was signed by Speaker Ivan Rybkin a few days ago. As soon as the draft budget reaches the Duma, it will be mailed to the deputies so that they can study it attentively during the recess. Mr. Zadornov voiced the hope that the Finance Ministry, which under the law is obliged to propose the draft budget before 1 August, will not delay it this time around for more than the one week allowed by the government for fine-tuning. In his view, a few days' delay is not going to appreciably affect the course of work on the draft; the most important thing is that the work should not drag out until the end of August.

Commenting on the draft budget unveiled at yesterday's government session, the Budget Committee chairman said he was satisfied with the changes made in this variant. In particular, in his view, it is quite right that the outlays for rebuilding Chechnya be cut from 5 to 2 trillion rubles until a political decision on it has been made. Mr. Zadornov also agreed with a "more modest estimation" of the revenues that are supposed to come in thanks to more efficient tax collection, as well as with greater outlays for science and culture. Mikhail Zadornov's greatest doubt is that monthly inflation, according to projections for 1996, is going to drop from 2 percent to 1.2 percent. He thinks it will not be possible to achieve such a rate of inflation during the next year. Mr. Zadornov, however, did not rule out the possibility that the government is knowingly putting lower parameters into the draft budget, realizing that when considering it in the Duma, deputies will insist on higher expenditures and on changing a number of the main parameters.

The Budget Committee head thinks that passage of the 1996 budget in the Duma will be more difficult than before because a "large policy element" will be added to this process under the conditions of the ongoing election campaign. There remains, however, the purely economic side, Mr. Zadornov said, and considering the fact that the 1996 budget is going to determine the economic policy of not only the next year but also of years to come, it will be necessary to look for a compromise with the government so that the country does not end up with no budget at all. The absence of a law, Mikhail Zadornov thinks, results in the passage of voluntarist decisions. For example, the presidential edict granting a number of organizations preferences in export-import duties was signed late in December 1993, after the old parliament had been disbanded and before the new one had gone to work. The committee chairman, however, is inclined to hope that the budget will after all be passed by this State Duma.

Regional Affairs

Reportage on Chechen Talks, Accord, Implementation

'Experts' Work on Political Agreement

LD0808090195 Moscow ITAR-TASS in English 0848 GMT 8 Aug 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 8 (ITAR-TASS) — Groups of experts continue work in the OSCE [Organization for Security and Cooperation in Europe] building in Groznyy to prepare an agreement on political matters between Moscow and Chechnya.

Official delegations will discuss the draft in details at a later date, according to the leader of the Russian group of experts, Vladimir Zorin.

The expert groups were joined today by four representatives of the Committee for National Concord and the government of Chechnya's national revival led by chairman of the state property managing committee Zaindi Choltayev.

The two above agencies were earlier represented at the talks in Grozny by their deputy leaders, who did not sign the agreement on military questions as they did not consider themselves to be parties to the war. But the preparation and implementation of agreements on political questions are impossible without them, even though Dzhokhar Dudayev's supporters object to their participation in the process.

Dudayev's Combat Preparations Asserted

LD0808110395 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 8 (INTERFAX) — Speaking at a rally in the Tangi community on Monday, Dzhokhar Dudayev again urged the Chechens "for war till full victory". Citing fresh data to INTERFAX, Colonel Aleksandr Georgiyev, the head of the press center at the Combined Group of Federal Troops in Chechnya, quoted Dudayev as saying that the units

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subordinate to him "are in the last stage of preparation for large-scale combat actions."

Georgiyev emphasized that this confirms the command's data that Dudayev and his followers were preparing for strikes on Russian troops.

He also reported with reference to the latest information that on the pretext of surrendering arms, militants have been taking up positions at the Roshnichu, Assinovskaya, Sleptsovskaya, and Sernovodsk communities and in Groznyy's suburbs. According to data of the Russian command, militants have been repairing the military hardware they have managed to preserve and hide in the mountains and bring them to the line where militants face federal troops.

"Besides, Dudayev's propagandists have been trying to make field commanders and their subordinates believe that peace talks cannot lead to a favorable result," Georgiyev remarked.

At the same time, the Russian command does not lose hope for the positive outcome of the agreement on the package of military issues signed with the Chechen side. As an example, Georgiyev recalled the arrival by the Commander of the Group of Russian Troops, Lieutenant-General Anatoliy Romanov and by the Chechen chief of staff in the Zandak village (southeast of Chechnya). There, they took part in a meeting where residents elected the village head and the commandant After the meeting, Romanov and Maskhadov also discussed ways of forming self-defence units.

Georgiyev stressed that troop commanders had been on similar assignments elsewhere in Chechnya, explaining the essence of the documents signed in Groznyy since in many areas these agreements are virtually unknown to the population.

OSCE Official on Disarmament Progress

AU0808101195 Paris AFP in English
0346 GMT 8 Aug 95

[Report by Laurence Peter]

[FBIS Transcribed Text] Groznyy, Russia, Aug 8 (AFP) — Russian and Chechen military commanders have made their first move on the ground to disarm hundreds of Chechen fighters, but the process promises to be slow and difficult as ad hoc self-defence units mushroom in the Caucasus republic.

Many fighters are in remote areas and the two sides face the additional problem of disarming Chechens who do not accept orders from separatist leader Dzhokhar Dudayev.

General Anatoly Romanov, commander of Russian interior troops in Chechnya, and Chechen military commander Aslan Maskhadov went to the southeastern village of Zandak on Monday [7 August] to set the disarmament process in motion.

"The aim was to introduce local field commanders to each other and inform them and the villagers about the military accord" signed by both sides on July 30, said Sten Wadensjoe, a Swedish member of the Organisation for Security and Cooperation in Europe (OSCE) mission, who went with them.

Under the military accord brokered by the OSCE in the devastated Chechen capital Groznyy, the Chechen fighters are to hand over their weapons and self-defence units of up to 25 men are to be set up in each village, carrying only small arms.

At the same time, the Russian troops are to start a phased withdrawal, initially pulling back two to four kilometres from their present positions.

Wadensjoe told AFP the local commanders in the Zandak area started preparing a joint map showing troop locations and strengths and established communications links, but no weapons were surrendered.

He said Chechen fighters who had bought their own weapons would receive compensation of 300,000 to 500,000 rubles ($60 to $100) for handing them in.

According to OSCE representative Sandor Meszaros, the compensation will come out of the Russian federal budget.

Armed Chechen fighters are now a common sight even in areas nominally controlled by Russian forces.

Khizar Davtayev, a Chechen field commander accompanying Maskhadov to the peace talks in Groznyy, said Monday there were more than 400 Chechen self-defence units guarding villages. Some were only 10 kilometres (six miles) from Groznyy, he said.

"After the military accord was signed fighters went back to their home villages with their weapons. Local command posts have been set up flying the green flag of Ichkeria — our name for Chechnya," he said. "There is no front line now."

Between Groznyy and Gerzel-Aul, some 90 (55 miles) kilometres east of the Chechen capital, self-defence units stand guard in the villages of Mairtup, Bachi Yurt, Tsotsin Yurt and Gerzel-Aul itself.

Aslambek, a 23-year-old Chechen fighter guarding Tsotsin Yurt, about 40 kilometres (25 miles) from Groznyy, said the self-defence units job was to prevent any Russian armoured vehicles entering the village.

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"We have had numerous cases of tanks or armoured personnel carriers (APCs) leaving the convoy and careering through the village. If they refuse to stop at the entrance to the village we open fire."

He stood with three other fighters armed with assault rifles and two grenade launchers. The youngest village guards were 16 and at night the team was beefed up to seven, he said.

"Two APCs tried entering the village two months ago even after we told them to use the road skirting it. The Russians said they were following orders, but we opened fire and they immediately headed back."

Aslambek and his comrades insisted there could be no surrender of weapons without a Russian withdrawal.

Sergei, a Russian private manning a post with nine other soldiers on the edge of Gerzel-Aul, said his unit had no communications with the local Chechens and did not go into the village to disarm anyone.

At road checkpoints in the area many Russian soldiers wore old training shoes or sandals, while some sported tracksuits instead of uniforms or did not even bother with a jacket, preferring to get a suntan.

One soldier had a gray wolf sticker — the Chechen independence symbol — on his rifle butt.

In Gerzel-Aul hundreds of Chechens held a pro-Dudayev meeting, waving the Ichkeria flag, beating drums, chanting and holding aloft portraits of the elusive president of the breakaway republic.

Such independence demonstrations also take place daily in the centre of Groznyy, watched by bored-looking Russian soldiers lounging in the sun on top of their APCs.

Between 15,000 and 30,000 people have died, according to various estimates, since Russian troops stormed into Chechnya on December 11 to crush Dudayev's three-year independence bid.

Exchange of Prisoners Postponed Again

LD0808094695 Moscow ITAR-TASS in English 0927 GMT 8 Aug 95

[By Sharip Asuyev, Tamara Zamyatina, and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 8 (ITAR-TASS) — The exchange of prisoners and detained people between the federal forces and Dudayev's troops was postponed again, Colonel Vladimir Ivanov, member of the Russian group of experts, told ITAR-TASS on Tuesday. He said that the sides had failed to agree on whom and how many persons to include in the lists for the exchange.

The Chechen delegation submitted the list of only seven Russian prisoners, while there are at least twice as many, Ivanov said. He also told ITAR-TASS that documents of 87 Russian servicemen were found in Vedeno on Monday, but the fate of the people was unknown.

The federal forces are ready to make the "all for all" exchange as soon as Dudayev's troops get prepared for it, Ivanov noted.

The Chechen representatives also have claims against the federal forces. Dudayev's aide, Mavlen Salamov, told ITAR-TASS on Tuesday that dozens of people who had been detained by the Russian troops were not included in the lists presented by the Russian delegation.

Shali District Declared Peace Zone

LD0808123395 Moscow ITAR-TASS World Service in Russian 1107 GMT 8 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Translated Text] Shali (Chechen Republic), 8 Aug (ITAR-TASS) — Today in Shali a decision was taken to make Shalinskiy [Shali center] district a peace zone. The decision was taken at a meeting between Major General Yevgeniy Skobelev, the commander of the Russian Defense Ministry troops in Chechnya; Dudayev's chief of staff Aslan Maskhadov; Sandor Meszaros, the head of the OSCE mission in Chechnya; Mayor of Shali Makhal Baspakayev; the commandant; prefect; district prosecutor, and a group of local elders.

Explaining the mechanism for the implementation of the military agreement, Maskhadov proposed a trip to all of the 17 villages of Shalinskiy district and elections there of heads of administrations, heads of self-defense detachments, and public representatives, through the mediation of a special commission of observers to oversee the enforcement of the agreement, with OSCE representatives taking part. After this, Maskhadov said — as envisaged in the agreement — the federal troops must be removed 24 km from each village where the surrender and registration of weapons will begin.

Maskhadov voiced his apprehension that the fighters returning from the mountains were trying to install Dzhokhar Dudayev's regime in the villages. "That must not happen because that would lead to another war. New structures of power must be elected. They must not comprise Dudayevites or members of the opposition but people who are supported by the population," Maskhadov said.

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He called on his fellow-countrymen to forget the concepts of a Dudayevite or member of the opposition, to hold meetings in the villages, and to make a sacrifice in regarding each other "brothers and sisters, Chechens and Muslims — not enemies."

Maskhadov's speech was supported by the command of the federal troops, the Shali mayor, and the elders.

In the meantime, both in recent days and during the meeting, rallies with slogans: "Down with the Russians, down with the Russian troops" have not died down.

The mayor of Shali has called on Maskhadov to urge his supporters "not to bribe for dollars residents of Nozhay-Yurt, Bamut, and Shatoy who are trying to stir things up in Shali."

The mayor said that the teams of builders from Rostov, Omsk, and Stavropol who had come to Shali — the town with a population of 40,000 — to restore housing ready for the winter, were leaving the town because of rally passions and the armed formations returning to Shali.

Gen. Skobelev is convinced that the main task in the implementation of the military agreement is patient work with the population and the home guard for the sake of peace in the whole of Chechnya.

Abdulatipov Urges Chechen Roundtable

MM0808090595 Moscow TRUD in Russian 5 Aug 95 p 1

[Interview with Federation Council Deputy Chairman Ramazan Abdulatipov by Olga Solomonova; place and date not given: "I Would Like To Share the President's Optimism...." — first paragraph is TRUD introduction]

[FBIS Translated Text] So, President Boris Yeltsin has delivered an address to the citizens of Russia. At TRUD's request, Federation Council Deputy Chairman Ramazan Abdulatipov comments on it.

[Abdulatipov] I consider the Russian president's address to the people to be constructive and very hopeful. Yet this address could have been made back in January.

First, I would like the adopted agreement on military questions to be successful and to actually lead to peace.

Second, I would like to share Boris Nikolayevich's optimism regarding the agreement that has been reached. But it seems to me that this speech provides partial evidence that the president is inadequately briefed on the realities that have already developed in the Chechen Republic during these months. For instance, each side is evaluating the disarmament and troop withdrawal process in its own way, just like the term "illegal armed formation." I think that the peace settlement process is a fairly lengthy one and that Dudayev cannot be trusted in this respect. Furthermore, if we stress all the time that there are in Chechnya forces not controlled by Dudayev, that means that there should have been other joint measures against uncontrolled armed formations. Our plan from the "Peace Initiative in the Caucasus" conference consists of four stages, and one of them envisaged joint actions against those armed formations which have left the control of both Dudayev and the local interim administration.

Furthermore, the agreement did not stipulate specific deadlines for the implementation of all accords. What guarantee is there that Dudayev is now preparing for peace and not war? Thus, there is a danger that this conflict could drag on for decades.

I have just come back from the Caucasus, where people are asking: Why were talks not permitted to be held in December or in March, why has Dudayev been pursued to the last cave in Chechnya, and why are talks, which are very reminiscent of attempts to revive Dudayev himself and return him to Groznyy, beginning at this time? The shootouts going on there are evidence of this.

Russian-Chechen relations are one thing, showdowns within Chechnya are another. That is why I believe that one of the main tasks now is to sit all Chechens at a roundtable and let them decide for themselves. In the second stage, Russia cannot be a participant in the talks, it and not the OSCE should be the referee and mediator in their internal talks and in the preparations for parliamentary elections.

Unfortunately, in his address the president said nothing about the fact that it is time to stop the persecution of Caucasians on ethnic grounds. People are suffering because of Dudayev and federal organs of power alike. What is now happening is effectively the expulsion of Caucasians from Moscow, Krasnodar, and Yaroslavl. This is provoking a retaliatory response against totally innocent Russians in the Caucasus.

We are now forming a Russian Public Committee To Protect Nationalities' Rights and Human Rights to which people can appeal, since the state is not actually protecting them.

Skobolev Interviewed on Military Accords

MM0808110595 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 pp 1, 3

[Interview with Major General Yevgeniy Skobelev, commander of Russian Defense Ministry Group of Forces in Chechnya, by Aleksandr Andryushkov and Sergey Prokopenko; place and date not given: "Major

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General Yevgeniy Skobelev: Things Have Gotten Moving" — first paragraph is KRASNAYA ZVEZDA introduction]

[FBIS Translated Text] It is hard finding Major General Yevgeniy Skobelev, commander of the Russian Defense Ministry Group of Forces in the Chechen Republic, in his office. Particularly now when many issues associated with the agreements on the military set of questions signed by the Chechen and Russian delegations are being "sorted out." Thus the general's current role is more diplomatic.

Nonetheless despite being busy the commander answered our special correspondents' questions.

[KRASNAYA ZVEZDA] Yevgeniy Konstantinovich, after the latest round of talks many mass media rushed to voice enthusiastic opinions of the results. However, the events of the past few days make one have doubts about this. Our troops are still being shelled and people are dying and being injured virtually every day. How do you view this situation?

[Skobelev] I must say that the signing of the agreement on the military set of issues is undoubtedly playing a role, if only in that things have finally gotten moving and definite accords have been secured, which in particular envisage the suspension of hostilities. Prisoners may be released, terrorist acts and sabotage suspended, illegal armed formations, militiamen [opolchentsy], and private individuals disarmed, and federal troop units withdrawn in stages from the Chechen Republic. Apart from those, needless to say, that will stay under the agreement. Of course, this agreement is essential and important. But the question is how feasible it is now.

We have announced that a moratorium has been established and we are not firing. But every day we are shelled from the mountains, our positions come under mortar fire, and fortified positions are constantly attacked by guerrillas particularly at night. In this situation we are also being forced to employ weapons to defend our servicemen. When we ask Maskhadov why the moratorium that has been declared is not being observed we hear the following response: "It is not people who are under my jurisdiction who are doing the firing." But there are too many of these people. This indicates that Dudayev's staff has lost control of its field commanders. In particular, I am talking about guerrillas from Bamut, Orekhovo, Borzoy, Staryy Achkhoy, Vedeno, and certain other population centers. There are around 16 of them, including the city of Groznyy. Hence perhaps all the confusion. On the one hand, the Chechen delegation is assuring us of its intention to create its own state, but in actual fact it looks as though a considerable proportion of this state is not under its control.

[KRASNAYA ZVEZDA] We would like to hear your predictions as to how events might develop subsequently?

[Skobelev] Making forecasts is a thankless task, particularly in this situation. A lot of work still has to be done. This means organizing mechanisms for the implementation of the agreements. Directives and orders were issued simultaneously by the commander of the combined group of federal forces and the chief of the main staff of the Chechen Republic's armed formations regarding a cease-fire as of 0000 hours 2 August. Regrettably, the Chechen side is not carrying out these orders. We have created an organizational plan for the structure of a special supervisory commission under the Russian president's official representative in the Chechen Republic. It is being allocated an important role in ensuring the disarmament of the illegal formations. The commission itself will comprise 12 people led by the president's representative.

Although I must point out that there are a number of obstacles in the way of this. For instance, the Chechen side still cannot provide us with lists of the prisoners of war it is holding. It is only recently that they made their third attempt to do so. So, we still have a fairly tricky route to cover before establishing peace.

[KRASNAYA ZVEZDA] Yevgeniy Konstantinovich, how will arms be surrendered? How does this mechanism look?

[Skobelev] We agreed with Maskhadov that we would carry out a high-profile handover of weapons in one population center. That is, guerrillas would come to the area, place their weapons in a certain building, and we would pick them up some time later.

[KRASNAYA ZVEZDA] What are Dudayev's formations like now? What can you say about their tactics and the federal troops' reaction?

[Skobelev] Dudayev's followers no longer represent any kind of military organization. They are scattered gangs that have lost the command of a single center. Therefore they do not obey Dudayev and Maskhadov. The federal troops can be said to have pulverized the so-called Dudayevite army. Were it not for the respite that they have had during the talks, the war would have long been over.

Guerrilla warfare is the Dudayevites' current tactic. They act on the principle of attack and retreat. We are keeping an attentive eye on the enemy. We constantly carry out reconnaissance and will of course take steps to disarm them. And annihilate those who do not submit.

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[KRASNAYA ZVEZDA] It is known that federal troop subunit commanders are working actively with the local population. How is this happening?

[Skobelev] Dudayev's regime reduced the Chechen people to extreme poverty. In the population center of Elistanzhi we encountered two elderly people who described in detail the difficulty that they have had in surviving these years.

We are trying to do our utmost to help people, we are restoring electricity lines, bringing in water, providing help with food, and repairing schools. Commanders are meeting elders and representatives of the local population, hearing their requests, and making the utmost efforts to help them. We gave one population center three tonnes of fuel to bring in the harvest. We are clearing the fields of mines. All this is strengthening still further the ordinary people's trust in us and destroying the negative image of the Russian soldier that has been created by Dudayev's propaganda.

Volskiy: Chechen Gunmen Want Peace

MM0708130695 Moscow IZVESTIYA in Russian 5 Aug 95 p 2

[Unattributed report: "'I Am Confident Peace Will Come Soon.' Arkadiy Volskiy on Chechnya Situation Following Signing of Agreements"]

[FBIS Translated Text] "I was delighted to hear Boris Yeltsin on TV. It is now clear that the president has not given way to the pressure from those who want to fight the war through to a victorious conclusion and is minded to have a peaceful settlement to the Chechnya crisis," Arkadiy Volskiy began his conversation with me. The leader of the Russian Union of Industrialists and Entrepreneurs claims that there was no let-up in the pressure on the president from the "party of war" throughout the talks, "Shakhray's people were particularly active in this direction. The most interesting thing is that the Dudayevites knew all about the initiatives before the members of the Russian delegation did!" Arkadiy Volskiy confided.

The deputy head of the Russian delegation categorically rejected the widespread rumors in Chechnya that Imayev, the former head of the Dudayev delegation, was a Federal Security Service agent: "I have looked into this personally and have discovered that it was all lies!" In Volskiy's opinion, there is no proof of Imayev being involved with the Russian special services or of his having constantly telephoned Moscow during the talks. "But even so, what of it? Moscow has been talking to Dudayev!" said a perplexed Arkadiy Ivanovich. The deputy head of the Russian delegation continues to claim that he does not know the actual names of the Moscow politicians conducting parallel talks with the Dudayevites, but he is sure that they are people from the top echelons of power.

Volskiy categorically disagreed with the pessimistic assessment of the course of the talks that was reported in the 3 August IZVESTIYA. "Dudayev's vacillations — first ratifying then annulling a signed agreement on a range of military matters — shows that he clearly had different plans and did not want to halt the hostilities. In the wake of the signing of the agreement — and it was obvious that Dudayev had no faith in it — some actions began that were hard to explain, to put it mildly. He realized that power was slipping out of his hands, and he started getting hysterical! He started accusing delegation members of making certain concessions. But those concessions were defined by the 23 June protocol that was approved by Dudayev himself! But ultimately, I reiterate — Dudayev also approved the agreement we signed," was how the deputy head of the Russian delegation explained the changeable nature of the Chechen president's position.

"President Dudayev constantly changes his decisions, many field commanders do not recognize him at all, and, moreover, a major new political leader is operating on that side — the 'national hero of Chechnya' Shamil Basayev. With this confusion of positions on the other side there are doubts about the effectiveness of the talks with the current Dudayev delegation," I told Arkadiy Volskiy.

"There are international rules governing the talks. Dudayev has provided an official list of people, each of which is empowered to represent him."

At the same time, Volskiy did not deny that the other side's failure to coordinate its positions is a serious problem. According to calculations by our military people, 60 percent of the armed formations are controlled by Maskhadov and Dudayev. But agreement was reached at the talks to disarm the uncontrolled formations through joint efforts together with the Dudayevites.

In Volskiy's opinion, we must also take into account the high status enjoyed by Shamil Basayev among the gunmen: "His standing among the gunmen is very high, he is staking a claim to an independent political role." "The ideal option for Basayev would be to leave the country, since Budennovsk cannot be forgotten," Volskiy believes.

Despite all these difficulties Arkadiy Ivanovich is nonetheless sure that peace will soon come to Chechnya: "The agreement on a range of military matters is generally being observed. Any war, even the Hundred Years' War, comes to an end sooner or later. And it

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seems to me that most of the gunmen now sincerely want peace."

Volskiy Interviewed on Chechen Peace

MM0708151295 Moscow PRAVDA in Russian 5 Aug 95 pp 1-2

[Interview with Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, by Aleksandr Chernyak; place and date not given: "Arkadiy Volskiy: 'Dudayev Is in Contact With Moscow'" — first paragraph is PRAVDA introduction]

[FBIS Translated Text] Arkadiy Volskiy has a major role in establishing what is as yet the albeit fragile peace in Chechnya. During a conversation with our correspondent he talks about the work that has been done.

[Volskiy] The situation in Chechnya is complex; objectively there are forces that have real influence over its life. One of these forces — I call them the hardliners — comprises Dudayev, Basayev, and people under the jurisdiction of the main staff of the Chechen Armed Forces, led by General Maskhadov. The second force that really exists is the regime in opposition to Dudayev. These are forces that have sympathies in one way or another with our years-long, centuries-old friendship between the Chechen and Russian peoples. They also have corresponding armed formations.

The third force — and it is indeed the third — comprises those people who obey no one, who have created certain combat detachments using the slogan of autonomy and independence. It is hard for them to embark on the road to peace, they do not know how to do anything but fight.

[Chernyak] An agreement has been signed on the military set of questions. As Mikhail Sergeyevich [Gorbachev] loved to say, "things have gotten moving." Yet the shooting in Chechnya is not subsiding?

[Volskiy] Things have gotten moving. A mechanism for this disarmament has been worked out. Suffice it to say that we have adopted the unorthodox decision of exchanging frequencies and radio transmitters for communications between field commanders and our formations' commanders. And this plan has begun to work. We are already hearing conversations in the four rayons that go something like this: "What are you doing?" "I am pulling out. Hold your fire and I will come and surrender." That is, the technological process of preparing for the surrender of weapons is already under way. But you are right, there is still shooting.

Recently there was even an incident where our commander called up the opposing side's commander on his portable radio and said: "Am under attack by armored personnel carriers." The response came: "They are not ours, they belong to someone else. Let us destroy them together." Things like that are even happening.

A plan for the surrender of weapons has been worked out. The day after the agreement, 300 assault rifles were handed over and placed in the basement of a mosque under guard by Russian Armed Forces and Chechen guerrillas. I think that this process should take at least a month. First, formations are scattered throughout Chechen territory. Second, according to our estimates — even if they are not entirely accurate — there are still 50,000-60,000 assault rifles out there.

Collecting weapons from individuals is a difficult problem. Today it is individuals that are causing our army and our soldiers the greatest problems. An individual works by day and at night goes out shooting off his assault rifle. He will fire on our posts, wound someone, or injure them — and then retaliatory fire breaks out. And that is what it is like every night.

There is another category of people who say: But we have bought arms to protect our family. We are buying up these arms. What I would call the minimum reasonable price — 150,000-300,000 rubles per weapon depending on the specifications — has been fixed.

Exchanging prisoners of war is a fundamental and very serious issue. We have had tremendous difficulty in exchanging lists. These lists are now conflicting, coordination is under way, particularly between screening centers. But exchanges have taken place. A fairly large number of people have already been exchanged within literally three days.

A very important part of the agreement is the establishment of a Russian presidential representative, who is at the same time the guarantor of the implementation of the agreements and has troop units at his disposal.

[Chernyak] The Russian-speaking population is afraid of what will happen after the troops' withdrawal. How will they be left?

[Volskiy] First, no one is withdrawing the troops right now. They will not be withdrawn until the question of all-out disarmament has been resolved once and for all. And even once that has happened two brigades will remain — one brigade of the country's armed forces, that is, the Russian Army. And a second internal troop brigade to provide assistance for the prospective militia and prospective organs safeguarding law and order. Therefore there is nothing to be worried about here. No one will aggrieve our supporters, Russian residents, or Cossacks.

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The fact that a joint special supervisory commission has been set up to monitor fulfillment of the agreement is important. It is led, on the one hand, by the commander in chief of our operational grouping in Chechnya and, on the other, by Chief of Staff Gen. Maskhadov. It comprises eight men and will have its own representatives in every village and all contentious issues, as well as all problems connected with the subsequent handover of weapons to places where they are to be permanently stored or destroyed, will be tackled by this commission in conjunction with the OSCE.

[Chernyak] You are the only person to have met Dudayev recently. Where did this meeting take place? How did you find him, a man wanted by the Russian General Prosecutor's Office?

[Volskiy] It was not I who found him. We went there with Imayev — naturally he knew where Dudayev was. It happened this way. We spent four hours traveling and got to Dudayev at 0100 hours.

[Chernyak] Were you in a vehicle?

[Volskiy] Theoretically, because the vehicle that we were using slid into a ravine. Thank God, the vehicle was hanging by the rear axle. We managed to get out. Then we traveled on foot by mountain path to an altitude of about 2,500 meters. The meeting took place in transport vehicles. One was a staff vehicle, the other a guard vehicle. They were ordinary Ural trucks. We sat in the staff vehicle until 0400 hours. Dudayev uses these two vehicles all the time.

[Chernyak] Did you spend a long time talking to him? Does he really not realize what he is doing?

[Volskiy] You know, he really does not. I do not think that he understands everything, I do not know how to explain this, but the conversation on his part was initially very tough. I do not know why this was, it was obviously because of some information from Moscow. I both think and am sure of this, and I have evidence that this is the case. That was why literally straightaway he attacked me, saying: "You will answer for everything." And I replied:

"You know, if you speak to me like that, Mr. General, I will leave." Incidentally., he corrected me and said: "Comrade General." Then he added: "You won't go far, or else...." It was amid this tension that the talks took place. But literally a few days later during a television interview he, regrettably, suddenly said that the delegation included Volskiy, who had fueled the war in Chechnya. He talks as if I were the president of the Russian Federation or the leader of the Defense Ministry, saying that this war is very beneficial for us and that I initiated the war. Well, you know, how are we to assess his human qualities after that? On one occasion he linked me for some reason with Shakhray and on another with Korzhakov.

[Chernyak] Does he have contacts?

[Volskiy] Yes, he does.

[Chernyak] Direct with Moscow?

[Volskiy] That is the point. The Chechen delegation warned us several times: You have more than one master. After that I lost my head and was unable to come to my senses for a couple of days. Of course, there are contacts with Moscow. Not only with Dudayev but also with members of the delegation. They make telephone calls, ask questions, provide advice, make adjustments. This is beyond my understanding, although sooner or later the secrets will be revealed and history will also have to answer these questions.

Can the following be considered normal, for instance: When this notorious edict on basing Russian Army units was signed, a day before it was signed we received the draft of this edict from Dudayev's side? And they learned of decisions being taken in Moscow the day before us.

It is being said that tomorrow the Duma will adopt a decision to divide up Chechnya. I reject that scenario. That is absurd, no one is about to divide it up. Then suddenly there comes a Duma decision instructing the president to examine the issue of allocating two of Chechnya's rayons to Stavropol Kray. It is more than difficult to conduct talks in those conditions.

[Chernyak] Arkadiy Ivanovich, since you are aware of the situation and the atmosphere, how do you predict the future of Chechnya?

[Volskiy] The first stage is undoubtedly disarmament. That is understandable. Because if someone has weapons, they will be fired.

[Chernyak] How realistic is disarmament?

[Volskiy] It is realistic.

[Chernyak] But will it be carried out?

[Volskiy] There is no other option. It is either peace or war. There is no other option. I have said this on several occasions. And I get protests from both Dudayev's side and from ours, moreover. Find a third option! If people are aiming at one another, what third option can there be? It is either peace or war. But people say to me: Volskiy is intimidating us. I, for instance, want peace. Because if we have killed 2,000 Russian soldiers, according to official figures, if hundreds of our soldiers are missing and we are unable to find them, if 10,000

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Chechen guerrillas have died, if civilian losses run to over 200,000, and if there are 5,000 Russian among them, continuing the mountain war will double or treble these losses.

The next part is to prepare for and hold free democratic elections. Let me tell PRAVDA for the first time that the term of Dudayev's government, which is illegitimate but does nonetheless exist, ends 27 October. There are two months remaining until 27 October. Elections to the Committee of National Accord and the Government of National Revival in Chechnya are now scheduled for 5 October. Some for 5 October, others for 27 October. What will be the result? The creation of two republics. That is also impossible within a Russian Federation component. What is to be done? Working groups are now sitting down and working out a process of preparing for and holding elections. I can tell you unequivocally that if Russia's supporters are able to unite, they will win the elections. But if the situation in which Chechnya finds itself today continues and everyone considers themselves a pretender to the throne, this discord may cause serious, contradictory election results. Therefore the main task — and we are unashamedly telling our allies this — is to unite. But the situation is more than complex today.

We have conducted sociological studies in various parts of Chechnya. Today Ruslan Khasbulatov objectively has the highest rating — and the greatest lead. But that naturally elicits hostility among Russia's top echelons although Ruslan Khasbulatov has said on several occasions that he will not run. That is good, but if you do not run, then you will give these votes to someone.

We asked our correspondents there to walk around Groznyy's markets and streets and survey people. There is a tremendous number of people there who support Khasbulatov. Dudayev is in second place followed by Leche Magomadov, the present deputy chairman of the Committee of National Accord.

If they are able to hold the elections and adopt a new Constitution, there will be a normal situation and normal work. Then there will be elections to the Federal Assembly, the Duma, and so on. And Chechnya will be a component of the Federation and there will be no problem. But a great deal of serious work needs to be done for that to occur.

[Chernyak] What else alarms you?

[Volskiy] In addition to something that I am constantly discussing — the presence of the war party and the party of fools in Russia who have considerable influence over the Chechen crisis — there are all manner of other troublemakers. For instance, Novodvorskaya has now organized a collection of signatures in favor of amnestying the terrorist Basayev. How are we to assess that? And Yelena Bonner has declared that Russia should pay reparations to a free Chechnya. What kind of reparations can there be when Russia has pledged to restore Chechnya?

Esteemed Stanislav Govorukhin says: "Chechnya must be set free. Let it leave, let it secede and live apart." And that is the chairman of a State Duma Commission and one of the leaders of the Democratic Party of Russia speaking. Nikolay Gonchar, chairman of a Federation Council committee, with whom I have been friendly for many years and with whom I have good relations, says that Chechnya must be split into three parts. One part for Dudayev where a plebiscite should be held — and I quote him — Nadterechnyy Rayon, and the Southern Rayon. The Southern Rayon should be handed over to the Cossacks and the Cossack line restored down the Terek. Nadterechnyy Rayon will make up its mind via a plebiscite. The mountain regions should be let go. It is just seditious. I do not know what caused this. This is most likely a question of electioneering. We cannot act like that in principle while talks are under way. They clutch at every phrase. My view is that the politicians and the Chechen people should unite and resolve the problem themselves.

'Vzglyad' Roundtable Views Chechnya

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["Vzglyad" program presented by Aleksandr Lyubimov, with studio guests Arkadiy Volskiy, member of the Russian Federation negotiating team in Groznyy; and Russian Interior Minister Anatoliy Kulikov — including recorded interviews with Usman Imayev, described by caption as Chechnya's prosecutor general; Salambek Khadzhiyev, chairman of Chechnya's Government of National Revival; Aslan Maskhadov, chief of staff of the Chechen armed formations; Anatoliy Romanov, commander of Russian Interior Ministry Forces in Chechnya; Vakhid Murdeshev, a Chechen field commander; Ruslan Labazanov, a former field commander; and Ruslan Khasbulatov, former chairman of the Russian Supreme Soviet]

[FBIS Translated Excerpt] [Lyubimov] Good evening. Boris Yeltsin, the Russian president, yesterday referred to the agreement signed in Groznyy on a package of military issues as the first success. [passage omitted] This week our correspondents Kirill Belyaninov and Ilyas Bogatyrev were in Groznyy speaking to various people, and we are totally devoting today's program

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to the talks and shall be speaking about peace and war. Taking part in the program today are the people involved in this colossal story — namely, Usman Imayev, Salambek Khadzhiyev, Ruslan Khasbulatov, and Ruslan Labazanov, who at one time fought on the side of the opposition against Dudayev — or rather, who was originally one of Dudayev's closest supporters and then went over to the opposition's side, and very many others. Here with me in the studio are our Russian negotiators — Interior Minister Anatoliy Kulikov, and Arkadiy Volskiy.

Good day, but before I put the first questions to you, let us listen to Usman Imayev, one of your opponents at the negotiating table, who has now, it appears, decided to devote himself to religion.

[Begin recording] [Imayev, in Groznyy on 30 July, identified by caption] [passage omitted: Imayev says he has never doubted that there would eventually be peace] Virtually all the formations are under our control. I am not counting criminal groups responsible for robbery, violence and so forth. Naturally all the sides must exchange these. But we are now speaking about the opposing sides. All those involved on the opposing sides and groups are under control. [passage omitted]

[Interviewer] If you were to issue a cease-fire order now, within 24 hours it could be conveyed to the field commanders and the fighting would be halted?

[Imayev] I would not say within 24 hours, but it would be conveyed to the field commanders and it would be carried out. [Passage omitted]

[Interviewer] Will you hand Basayev over to the Russian authorities?

[Imayev] Well, you see, it will begin with a request to hand over Basayev. Then the Chechens will be asking that Antonov who was in command of the operation at Samashki be handed over to them. Then they will ask for the commander of the squadron that bombed Kharsenoy to be handed over. Then they will seek the pilot who fired point blank with his large-caliber guns at the village of Tazbichi killing six children. So you see this is an issue that could produce an undesirable reaction from the population. It is an issue more likely to evoke a reaction from various sectors of the population than resolve the problem. Do not forget that a war has been going on. Do not forget that very many people have been killed here. If you had been here, you would have seen the victims. I do not even want to comment on how many victims there have been and how brutally they were treated. We have agreed that we should not return to a discussion of the past, but we cannot forget that there were victims. This means that all issues must be resolved by negotiations.

[Interviewer] If you can comment on this, what were your differences with President Dudayev and what gave rise to Dudayev's statement?

[Imayev] I do not know. I have had no differences with the president, and I find it incomprehensible when statements are made about the existence of differences. At any rate I know nothing about these differences. [end recording]

[Lyubimov, resuming in studio] Anatoliy Sergeyevich, this agreement, or more accurately the protocols to it that have been signed, envisage the procedure for disarmament and withdrawal of troops. How in specific terms, say, is the Russian regimental or battalion commander to engage in disarmament with the opposing field commander? How is this all to happen?

[Kulikov] It is not quite as you think. The fact is that the agreement provides for the creation of a special monitoring commission, whose members will work in all areas simultaneously. The mechanism will be approximately like this. A gathering is held in a populated center and the so-called Yurda, who is a kind of local head of administration, is elected.

[Lyubimov] A kind of spontaneous election, is it?

[Kulikov] Well, probably it is not spontaneous. It is the choice of the most authoritative person. If he already exists there, and still has authority, then it remains the same person. The commission in conjunction with these authoritative representatives of the clergy and the elders decide on the number of most trustworthy individuals — some 15, 20 or 25 people — to make up a self-defense detachment. These individuals who will be able to retain firearms will have their names entered in a book and be registered. Accordingly the district, center, and republic are taken into account, and a plan is drawn up for the defense of the populated center so that everything is under control. All other weapons are handed over to this special monitoring commission in exchange for a certificate indicating that a specific individual has voluntarily handed in his weapons and is exempted from criminal liability on the basis of Article 218.

[Lyubimov] Arkadiy Ivanovich [Volskiy], Dudayev seems to have been pressurized into signing the agreement, judging by the fact that he made a statement at variance with it, to put it mildly.

[Volskiy] I think that is so, because the delegation was altogether united in its decision to sign the agreement, and, if Dudayev had not confirmed it, I think quite simply that he would not have remained any longer as

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leader, including leader of the delegation. But I should like to say that it was, of course, a surprise to everyone when Imayev was dismissed after the signing of the agreement, but most importantly it was after Dudayev had confirmed the agreement.

[Lyubimov] What do you think was the significance of this?

[Volskiy] You know, in my opinion it arose out some kind of loss of prestige on Dudayev's part. [passage omitted] But I think that Imayev can still do much that is useful to bring about the cease-fire and the establishment of peace in Chechnya.

[Lyubimov] So, when the Russian troops are withdrawn, two brigades — one combined army brigade and one brigade of interior ministry troops will remain.

[Kulikov] As disarmament gets under way, they will be withdrawn, either to their permanent locations outside the republic or else inside the republic.

[Lyubimov] That is to say, a list is drawn up of 15 individuals possessing weapons, say, at a populated center. They have weapons and the others hand theirs over, and then the troops go away. Is that it?

[Kulikov] No, it is not quite like that. We shall be doing this simultaneously in all parts of Chechnya. As disarmament proceeds — let us say disarmament takes place in the western sector of Bamut, Orekhovo and Assinovskaya.

[Lyubimov] How many fronts are there then? How many field commanders are there?

[Kulikov] According to our calculations, there are now five or six groupings numbering between 3,000 to 5,000 men. Well, let us suppose that the western sector disarms, it will then be possible to remove some of our opposing units and subunits. Or let us suppose that the Nozhay-Yurt grouping fully disarms....

[Lyubimov, interrupting] That is in the east, is it?

[Kulikov] Yes, the east. Let us suppose that the Nozhay-Yurt grouping fully disarms, then we shall also be able to remove units and withdraw them to their permanent locations in Groznyy or outside the republic. As disarmament proceeds, we are already prepared, say, for a few units of the 104th Airborne Division to leave the republic. I repeat, however, that this will come about only after we see that disarmament has started.

[Lyubimov] Did you learn anything new when you exchanged maps with the Chechen delegation on the deployment of forces? Did their maps contain anything new?

[Kulikov] No, we have not learned anything new. We are indeed quite well aware of the situation, but the fact is that we have not yet exchanged these maps. We are ready to provide them.

[Lyubimov] Oh, yes, it is the lists that you have handed over?

[Kulikov] Yes, the lists have been handed over. We are ready and our maps are ready, but for technical reasons Aslan Maskhadov has not yet been able to present theirs. They are working on this today.

[Volskiy] Yes, it will probably be today. The main thing here is the exchange of minefield maps. As you know, that will save many lives. This exchange of maps is being carried out precisely on Anatoliy Sergeyevich's initiative.

[Lyubimov] I would like to return to the beginning of the Chechen war and to ask you, Arkadiy Ivanovich: Why did they support this puppet regime of Avturkhanov, why did they support [Salambek] Khadzhiyev? Why did they need that attack in November when, as far as I understand, things were not done in accordance with military rules? After all, these people are not giving us too much support.

[Volskiy] I don't know that I am the right person to answer this question.

[Kulikov] I can only say that considering what Dudayev had done prior to this, the leaders of our country had no other choice. [passage omitted: Kulikov recalls Dudayev's separatist policy dating back to 1991]

[Lyubimov] I think the opposition, including Khadzhiyev, are only marginally less orientated toward separatism than Dudayev. Let us hear what the prime minister of the National Revival Government in Chechnya has got to say to us today.

[Begin recording] [Khadzhiyev, in Groznyy on 1 August, identified by caption] [passage omitted] It is necessary to disarm irregulars, to withdraw part of the troops to the barracks allocated to them and to pull out the other part from the republic.

[Interviewer] What sort of relations do you have with the federal troops?

[Khadzhiyev] We have complicated relations. On the one hand, I get on very well with them and there are many decent people among them, but on the other hand, I cannot help noticing the abuse of power by the lower ranks, the occasional instances of lawlessness. Of course, there can be justifications. You can say that this is 40,000-strong group of forces and that in any army or interior troops criminals would account for about five

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percent — in this case it would be 2,000 — I am talking about mentally abnormal people, drug addicts and so on. But can you imagine what havoc 2,000 criminals can wreak in a tiny republic? And we actually see this happening and try to do something about it. I am a hot-tempered man and when I see this, I say out loud what I think of them — and they take offense. [end recording] [passage omitted]

[Lyubimov] What was the most frightening moment of the war for you, Anatoliy Vladimirovich, and what was the most difficult moment from your point of view?

[Kulikov] I have answered this question once already, and I said: sending in the troops and the assault on Groznyy. From a commander's point of view, I think this could have been done much better. [passage omitted: Lyubimov specifies the dates and circumstances]

[Volskiy] Commenting on Salambek Khadzhiyev's remarks, I deeply regret that he is setting the number of criminals and mental cases in the armed forces and interior troops at five percent. I repeat: I find this deeply regrettable. He and I have been working in very close contact in Chechnya. [passage omitted] Over 200 criminal investigations into crimes and illegal actions have been instituted and more than 20 servicemen have received prison sentences — so measures are being taken. [passage omitted]

[Lyubimov] Let us give the floor to your opponent — both in military matters and at the talks — to Aslan Maskhadov, the chief of staff of the Chechen armed forces.

[Begin recording] [Maskhadov, in Groznyy on 31 July, identified by caption] [Maskhadov] Ever since the war began, I have used every opportunity to have meetings at all levels, with the officers and generals of the Russian army, and even during the fighting in Groznyy I contacted them through various means of communication and had meetings with some generals, urging them to start talks at least on that level and to settle at least such issues as could be settled at the time. [passage omitted: Maskhadov says Russians gradually realized that peace talks were the only realistic option; recalls the main issues discussed at the talks] I suggested to the Russian side: let us decide on practical matters concerning the block of military issues and then we, the Chechens, will sort things out among ourselves, come to some agreement — which I am sure we shall do — hold a free democratic election and then a government elected by the people and invested with all the necessary power, will determine the future of Chechnya on the basis of a referendum. Then they can return to the negotiating table and define Chechnya's relationship with the Russian Federation. As far as I know, we agreed on this solution. [end recording]

[Lyubimov] Anatoliy Sergeyevich, do you respect Maskhadov as a military and political opponent?

[Kulikov] Well, you know, Maskhadov served in the Soviet Army for 23 years, he was the chief of the missile forces and artillery of a motorized rifle division before he retired. It should be borne in mind that he is a career officer in the best sense of the word, a very responsible, disciplined man; and it was thanks to this discipline that Dudayev succeeded in creating such a good ground force in a short period of time.

[Lyubimov] So it was Maskhadov's work?

[Kulikov] Yes, it was Maskhadov's work. And it can be said today that Maskhadov understood before other people what had happened, and felt before the others the need to put an end to this war. [passage omitted] And I think that, among the participants in the talks, Maskhadov was one of those particularly instrumental in getting the agreement signed.

[Lyubimov] Here is what your deputy, Anatoliy Romanov, had to say about him.

[Begin recording] [Romanov, in Groznyy on 2 August, identified by caption] Perhaps it was easiest for Maskhadov and me to overcome this psychological barrier of mistrust of each other. When the other members of the delegation began discussing the wording and so on, we simply went away and got on with practical work. [passage omitted] You see, it is easier for the military to find common ground because we have a lot in common and because we were carrying out our orders. [end recording] [passage omitted]

[Lyubimov] Anatoliy Sergeyevich, are there currently any field commanders of the major formations you mentioned, who are not observing the cease-fire?

[Kulikov] Yes, there are. According to our estimates, about one-third of the commanders are seriously influenced by the viewpoint that fighting should continue. Though, you know, field commanders tend to change their stance on this matter. [passage omitted]

[Lyubimov] Let's listen to the opinion of Vakhid Murdeshev, an influential southern front field commander. Ruslan Labazanov, who is well known and was very close to Dudayev and then left him, but who during the war was in disgrace and didn't fight on either side, will speak after him.

[Begin recording] [Murdeshev, in Groznyy on 1 August, identified by caption] Before these talks, before the official talks began, I had talks in my sector with the

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Interior Ministry brigade which was opposing me. They were fruitful. The talks went all right between us — as they did here. We were the first to achieve success, and, on the whole, halted combat operations. We had plans to halt the combat operations being carried out in our sector, in the neighboring sector, and so on and so forth.

I, for instance, was sure that the war would be halted, roughly as it was halted. But something was needed to kick-start the talks and, as you know, it was the events in Budennovsk which provided that kick-start. And at the talks they are trying to arrive without fail at a certain positive outcome although, although rather frequently, while the talks were in progress, although there was a moratorium, although it is said that the truce was being violated, for our part, I do not rule out the possibility that in certain rare instances somebody might perhaps have fired, perhaps. But Russia constantly broke the truce.

We are here today and there is fighting going on in our sector, for instance. We are speaking here today and the agreement has been signed apparently and the war has ended apparently but fighting is still going on. At the [word indistinct] front instance, Grad missiles are fired daily. A battalion is stationed permanently near Bachi-Yurt — there's no need to hide it — combat unit number 5280 — and every day, despite the truce, although I've held talks with them twice, they fire upon tracts of forest every day — and not just tracts of forest but also upon villages. If they just shot at us, that might be understandable — well, they're shooting at us, to hell with them! But when they fire at villages and peaceful citizens die and homes are destroyed when talks are underway — that's not good! We will be forced to deal with that battalion specifically. [end recording]

[Begin recording] [Labazanov, in Tolstoy-Yurt on 1 August, identified by caption] Since Russian Federation troops went in to the territory of Chechnya, the question that was being decided, they said, was that of bringing constitutional order to Chechen territory and it was Dudayev's gangs and all those who were involved with him, probably including the commanders of his formations, who were considered to be bandit formations, illegal formations, and the question of removing him was decided, too. And they shouldn't have gone in to Chechnya at all. They should have set the task of letting Imayev or Maskhadov go to Moscow or somewhere else and decide the issue through the process of talks alone. That's how it should have been done.

I consider it to be a crime on the part of the Russian representatives. That's one thing. The second thing is that these talks won't resolve anything because Maskhadov and Imayev are not competent to decide anything. Apart from them there is also Dudayev and there are field commanders who decide everything on the spot and they have not empowered them to do anything.

Even the Russian representatives themselves admit today that Dudayev said this. We know that's how it is, that these talks won't lead to anything. Dudayev, Maskhadov, rather Imayev, says he will surrender POWs, having signed the treaty. Let him surrender them! Imayev isn't capable of giving up a single POW, let alone of exchanging them!

The question of halting the war — even if they have signed [pauses]... the war has not halted, the war is beginning today. The most terrible, the most (?horrendous) chapter of the war is beginning today. We think that even bringing Russian troops into the republic, simply should [pauses] — to institute constitutional law and order — has led to the opposite happening because a holy war is being declared. [words indistinct] What should be done today is that Dzhokhar, Avturkhanov, Khadzhiyev and the Russian governor, the president's representative, should be brought together and all issues should be decided there and agreed with him.

What is needed is for shari'a [Islamic law] rule to be introduced everywhere here to reconcile the nation and this should be done and agreed with the president's representative. Otherwise, if followers of the sharia do not rule Chechnya to reconcile the nation then blood feuds and hostility will be passed on from generation to generation. Nothing else, not Imayev, Maskhadov, Dudayev, or anybody else will stop that. That's what I think. [end recording]

[Lyubimov] Anatoliy Sergeyevich, can one believe Vakhid Murdeshev when he says that the unsanctioned shooting is taking place now, particularly from Grad missile-launchers?

[Kulikov] Currently it is not. There really were instances of the unsanctioned use of weapons during the talks because in the first hours, at the beginning of the talks there wasn't sufficiently clear cooperation between the field commanders, commanders of sub-units and units along the line of contact. Through establishing mutual radio contacts with one another we organized such cooperation. Besides this we also sent observers to some major groups where the possibility of unsanctioned use of weapons was greater. They themselves, these observers gave accounts of themselves during the talks: Who opened fire first, took measures so that this did not take place.

Currently, however, an instruction has been issued through the joint command and an instruction also has been issued through illegal armed formations from

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Maskhadov's side about an all-round cease-fire. Unfortunately, however, today for example, the unsanctioned use of weapons is still going on but it is dying down. There have been overall 23 incidents of shooting today, only one of them was in the field, on the line of contact. Only one incident, without consequences. The rest were in Groznyy because there are very many bandit groups in Groznyy itself, very many.

[Lyubimov] Small groups?

[Kulikov] Yes, small. They cannot be brought under control. They fire at the commandant's office, and today we already sent out a representative from the commandant's office and they stopped the shooting. It looks like we may have to send a representative from the commandant's office to each military checkpoint.

[Lyubimov] Why didn't Labazanov fight? He is, so to speak, almost the defense minister of the opposition, and he mobilized the whole of Nadterechnyy District, and should have defeated Dudayev.

[Kulikov] Firstl, I think you are confusing him with [Beslan] Gantamirov. He was not the defense minister.

[Lyubimov] I said almost.

[Kulikov] He was a field commander. [words indistinct] Just now I carefully listened to him and I think that Ruslan Labazanov is slightly out of touch with reality, based on what he said, but I ought to say that he, in my opinion, took a rather constructive stance in this war. Here and there he has quite good proposals and he has carried out a lot of work even concerning Argun and the populated areas of Shalinskiy District and he is carrying out work on disarming now. He already — with his assistance we have taken more than 400 firearms from the population. I, therefore, think that we ought to work with everyone.

[Lyubimov] Anatoliy Sergeyevich, I would now like to ask you about Budennovsk. How did it come about that a great deal was said about the Ministry of Internal Affairs having some form of external guarding of the frontiers of Chechnya and that there are also border guards there? How did it come about that Basayev's detachment broke through there?

[Kulikov] The investigative bodies, the prosecutor general will probably answer how this happened. But it is a fact that the consequences of this unprecedented event were serious and require careful examination, as do, as I see it, the very large gaps in the work of the law and order bodies and internal affairs bodies, of our ministry.

[Lyubimov] The prosecutor has already said: They took a state motor vehicle inspection directorate staffer — maybe state motor vehicle inspection directorate staffers defend....

[Kulikov, interrupting] No, we have examined measures, including the transfer of personnel at the level of head of the [Stavropol] Territory, I mean the head of the internal affairs directorate of the territory. Serious demands will be made on the staff of the central apparatus of the ministry. Thus none of the guilty will escape responsibility. This is not the most important thing. The most important thing is to do everything to ensure that such a serious incident does not reoccur.

[Lyubimov] You know, I observe assault forces in Moscow. It seems to me it may reoccur. I will give you an example. We filmed a nuclear reactor in Moscow. There is a hole in the fence. We filmed it and returned a week later and filmed it again and the hole was still there. Nothing changed. It is possible to get within two meters of the nuclear reactor. Even a Stinger is not necessary.

[Kulikov] You filmed this reactor but it's switched off and it is not in operation.

[Lyubimov] How can it not be in operation? Reactions are taking place in it. It may explode. It is a testing reactor.

[Kulikov] No, this is not so. I know about it, I am familiar with your film. It is not exactly like that. All those who answer for implementing such tasks, have to give themselves the order: Attention! Step up vigilance! because it should not be like this, of course. Service should not be organized in such a careless and irresponsible way. This is what happened in Budennovsk.

[Volskiy] Can I just add a few words?

[Lyubimov] Of course!

[Volskiy] When I spoke with Dudayev during the night, had with him four hours of difficult and tense talks, more than tense, he told me: We are prepared to carry out a series of such acts of terrorism — he did not call them terrorism but sabotage — such acts of sabotage that will not only make the whole of Russia but also the whole world shudder. Therefore, the signing of the agreement, where acts of terrorism are specifically condemned by both sides, will place on any person, irrespective of rank, the responsibility for carrying out, if this should happen, any kind of acts of terrorism. This is the first thing, and the second thing is that I am 100-percent certain that the Ministry of Internal Affairs and the Federal Security Service and our other services ought to be more efficient in gathering intelligence on this and all other cases. In this respect, I have to say that I am very confident in

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the new Minister of Internal Affairs of Russia, Anatoliy Sergeyevich Kulikov, and I think that Russia has got a good minister.

[Lyubimov] Arkadiy Ivanovich, what about the role of Khasbulatov?

[Volskiy] What about the role of Khasbulatov, what does the role of Khasbulatov mean? Everybody in our country has already studied Ruslan Imranovich, I think.

[Lyubimov] Let's listen to what he has to say now about what is happening in Chechnya.

[Begin recording] [Khasbulatov, in Moscow on 2 August, identified by caption] The peace agreement cannot be overestimated. In my view it is a truly outstanding event since it officially puts an end to the undeclared war. So I would not underestimate the significance of that event.

But it's another matter as to who will implement and carry out the agreements which have been concluded, who will deal with questions of restoring peace. Therefore, both the choice on the part of the population, and any support on the part of the federal authorities for persons who in reality are interested in peace, in free transformations are the next outstanding steps which should be taken, it seems to me. [passage omitted]

I'm told that there are some rather serious attempts to block certain people living outside Chechnya from taking part in the elections. That will give rise to terrible dissatisfaction again. Why — because those bodies, institutions and persons who are now establishing these electoral regulations are themselves illegal. The proposed alliance between Khadzhiyev and Avturkhanov on the one hand and former Dudayev supporters on the other will form a coalition government roughly half and half, let's say. You know, that will cause an explosion, cause indignation on the part of the population because both one and the other are part of a junta. That must be understood, understood correctly and taken on board, do you see? So, naturally, that coalition power must be of a very broad spectrum.

[Unidentified correspondent] According to our information, your standing in Chechnya is greater than Dudayev's and you're just about the most popular figure in the republic.

[Khasbulatov] What do you mean by just about? I've long been the most popular figure in the republic — is that news to you?

[Correspondent] Do you intend to take part in the elections?

[Khasbulatov] That's a rather complex question and frankly what's got to be ensured is that these elections do indeed take place at least. Ensuring that these elections take place seems to me to be a cornerstone, ensuring that they are honest elections without attempts to falsify, without any falsification, for any falsification, any deviation, any attempt to push someone forward won't be perceived in the same way there as it would be in Russia. They would have recourse to arms and to waging war there right away.

[Correspondent] You would have many more opportunities if you held a real state post, wouldn't you?

[Khasbulatov] That's true, on the one hand. But, practical questions arise immediately for a man of my experience. After all, an inexperienced person may get carried away and think: it would be a good thing for me to get such and such a post. But I know what that post entails — that is running around the corridors of Moscow, getting funds out of high-ranking bureaucrats, asking for money somewhere, and there are a great many other questions connected with that. You will agree that these functions are not for me. [end recording]

[Lyubimov] Arkadiy Ivanovich, will Ruslan Imranovich become the president of Chechnya?

[Volskiy] I don't know. I feel that Ruslan Imranovich does not suffer from modesty — from the lack of modesty, judging from what he said. I ought to say that, however, objectively sociological research which was carried out in Groznyy, in Argun, Gudermes, and Shali shows that Khasbulatov's ranks first in the popularity polls. He is, objectively, separated from Dudayev by more than nine percent. This is objectively. One should not close ones eyes here whether you like or dislike Khasbulatov. This is objectively. We had five special Russian correspondents whom we asked to go and ask people in the markets, city streets, and crowds. They asked and this also confirms this. [passage omitted]

[Lyubimov] Arkadiy Ivanovich, last night President Yeltsin said that he would appoint his plenipotentiary representative to Chechnya and rumors already spreading in Moscow mention names like [Sergey] Shakhray, [Oleg] Lobov, [Nikolay] Yegorov, and your name, too.

[Volskiy] If I was the president I wouldn't choose my name. From these three, if I was the president, I would choose Oleg Ivanovich Lobov, because I have known him for more than 15 years. I had occasion to work with him in the Armenian earthquake zone in Spitak when he was representative of the deputy chairman of the Russian Federation, when he united all the union republics. He also worked very actively for this cause. [passage omitted]

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[Lyubimov] Anatoliy Sergeyevich, in your opinion when will the war end? When will you finally feel that you will no longer have to fly to this city?

[Kulikov] It is likely that I will be flying for a long time yet. Not because the war will be last for a long time but because there are questions there connected with the organization of the work of the organs of the ministry, formed within the structures of the Ministry for Internal Affairs. Concerning the end of the armed conflicts, today this will depend not so much on resolving the military issues, as ways of resolving these problems can be easily found. It will mostly depend on politicians, politicians in Moscow and locally there.

[Lyubimov] Your forecast, October, November, December?

[Kulikov] I think that jointly we can disarm, within two months, most of the groups. And towards the end of autumn, when the elections are envisaged, we will create the conditions for [words indistinct]

[Lyubimov] That is sometimes in November? Yes?

[Volskiy] I would add another month to this.

[Lyubimov] By the new year, then. If such authoritative people tell us such serious things, then nothing else will happen this week.

Federal Plot To Boost Food Prices Seen in Moscow

MK0608100095 Moscow SEGODNYA in Russian 5 Aug 95 p 2

[Report by Mikhail Lantsman: "The Press Center of the Moscow Mayor Is Authorized To State That a 'Fifth Column' Is Acting in Moscow. The Enemies Have Dug In at the [Russian] White House"]

[FBIS Translated Text] The Moscow Government has accused Russian Federation First Vice Premier Anatoliy Chubays, Vice Premier Aleksandr Zaveryukha, and Economy Minister Yevgeniy Yasin of arranging a food crisis in the capital, which, according to the "plotters'" plan, will break out in late autumn, on the eve of the election. In the opinion of the authors of the official statement by the Moscow mayor's office, published yesterday, the "plotters'" aim is "not to let people afford to buy basic foodstuffs, to make them hungry so that during the election they will express no confidence in the present authorities."

To substantiate their theory, the authors give the following series of arguments: Pressed by the "financial stabilization," Moscow authorities have had to raise fares for city transport and charges for other municipal services. At the same time, the federal authorities owe over 1 trillion rubles to the city for work done under federal programs. The Moscow Government is currently doing its best to delay the catastrophic rise in food prices as a result of new import duties having been imposed. Old reserves, however, are nearing an end, and Moscow has no budgetary means to purchase food at prices affordable to city residents. Meanwhile, the federal government members have organized a "large-scale disinformation campaign" in the press so as to blame the Moscow authorities for their unwillingness to buy domestic food. The kindred agrarians, however, are offering their products at prices significantly higher than those on the world market. For instance, the wholesale price for Vologda butter has risen from 9,000-11,000 to 14,000-16,000 rubles per kilogram.

There is hardly anyone in the Moscow government who might in earnest think that Messrs. Chubays, Zaveryukha, and Yasin are deliberately laying a trap for themselves. After many months of controversy between 13 Tverskaya Street [Moscow mayor's office] and the White House [headquarters of Russian Federation Government], statements in the "TASS-is-authorized-to-state" style seem to have become the only argument used either to procure funds from the federal budget or to direct the anger of the "hungry" to the right destination.

Ivanovo Voters Apathetic About Elections

MM0708192895 Moscow NTV Television in Russian 1800 GMT 30 Jun 95

[Video report by Irina Preobrazhenskaya; from the "Segodnya" program]

[FBIS Translated Text] [Preobrazhenskaya over video of street scenes] Little more than 200 km separate Ivanovo from Moscow. Despite this, Ivanovo is largely unaffected by the pre-election fever of the center. Judging by the results of numerous polls, the inhabitants of Ivanovo are not even very clear what elections will be taking place and when. Among the politicians they know, apart from Yeltsin, Chernomyrdin, Zyuganov, Zhirinovskiy, and Rutskoy, Gaydar is less well known, and Yavlinskiy is hardly known at all. In Ivanovo few people take out newspaper subscriptions because of the expense. They prefer to buy the odd copy at newspaper kiosks. Even then they buy mainly local newspapers. Central newspapers can gather dust on the shelf for a week. Radio and television are considered the main sources of information here. But people do not watch political programs very often. Why?

[Unidentified textile worker] Life is easier to bear if you don't take an interest in politics.

[Preobrazhenskaya over central electoral commission footage] Nonetheless, election preparations are in full

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swing at the central electoral commission. New registers and constituency programs are being drawn up.

Nontheless, the Ivanovo Administration is seriously concerned that not even 25 percent of voters may vote.

[Yuriy Kryzhov, sociologist, identified by caption] I believe that 60 percent, and possibly more, will definitely not vote. That is to say, the workers will not take part in the elections.

[Preobrazhenskaya] In view of the fact that almost two-thirds of Ivanovo Oblast voters are workers, this concern is fully justified.

Workers make no bones about their unwillingness to take part in the elections.

[Unidentified textile worker] Why should we vote? We will not get our way whatever happens.

[Preobrazhenskaya] At the same time they recall with what enthusiasm they voted for the Russian president.

[Unidentified worker] I remember well how we voted for Yeltsin. A bus with a red flag was dispatched from Ivanovo. I myself was canvassing: "Vote for Yeltsin, vote for Yeltsin!"

[Preobrazhenskaya] According to the inhabitants of Ivanovo, those who were elected failed to deliver the main thing — work. Of 45 textile factories, only four are currently still operating. The others have not been able to pay workers for the past six months. This is why even those who may take part in the elections are unlikely to vote for the government blocs and the democrats. Most probably they will give their votes to those whom they associate with the concept of strong government.

[Kryzhov, sociologist] Strong government is associated above all with the Comunist Party represented by Zyuganov.

[Preobrazhenskaya] According to the latest polls, the Communist Party of the Russian Federation has indeed scored highest in Ivanovo. It is true that the party's local branch is constantly holding all kind of rallies and meetings. However, this is not the main reason for its success. The main reason is that all branches of legislative and executive power here consist more than 50 percent of old-style Communists.

[Kryzhov, sociologist] As regards the public, there are no clear leaders. There are official leaders. That is to say, the head of the Oblast Administration is considered a leader, as is the chairman of the Oblast Legislative Assembly. Their roots go back to the old times. They carry a certain amount of authority. This cannot be denied.

[Preobrazhenskaya] Voting according to party lists is evoking special concern in Ivanovo.

[Nikolay Zinovyev, chairman of Ivanovo Oblast Electoral Commission, identified by caption] The point is that representatives of political parties and movements at local level have practically no chance to secure a nomination.

[Preobrazhenskaya] The chairman of the electoral commission has formed this opinion on the basis of the experience gained during the last elections. The party lists were headed by well-known leaders from the capital. Therefore it was they who got elected and not regional leaders, whom most of the people simply do not know.

A former weaver, whom we met at a remote village, probably best described the Ivanovo workers' pre-election mood.

[Preobrazhenskaya turning to woman] Whom will you vote for when the elections come?

[Unidentified worker] I would like to vote for the right person, for the best one, so that life gets a bit easier. But who is the right person? I wish someone would tell us, we are ignorant people, after all.

[Preobrazhenskaya] Irina Preobrazhenskaya, Viktor Novikov reporting for NTV. [video shows street scenes, electoral commission and Communist Party offices, interviews with workers in factories, other interviews]

Tatarstan Edict on Foreign Relations Presented

954F2975A Kazan RESPUBLIKA TATARSTAN in Russian 3 Aug 95 p 1

["Edict of the Republic of Tatarstan President: On the Establishment of the Foreign Relations Department of the Republic of Tatarstan President" and "Edict of the Republic of Tatarstan President: On the Appointment of T.Yu. Akulov as Director of the Department of Foreign Relations of the Republic of Tatarstan President"]

[FBIS Translated Text]

Edict of the Republic of Tatarstan President: On Establishment of the Foreign Relations Department of the Republic of Tatarstan President

With the aim of improving the system of management of state organs of the Republic of Tatarstan, ensuring the uniform conduct of external relations of the Republic of Tatarstan, and improving coordination of the activity of representations of the Republic of Tatarstan in foreign countries, I decree the following:

1. To form the Department of Foreign Relations of the Republic of Tatarstan President.

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To entrust the Department of Foreign Relations of the Republic of Tatarstan President with responsibility for coordinating and operationally directing the activity of all authorized and standing representations of the Republic of Tatarstan in other countries, international (interstate, intergovernmental) organizations, and representations in Russian Federation entities.

2. To approve the Statute on the Department of Foreign Relations of the Republic of Tatarstan President (attached).

3. That the chief of the apparatus of the Republic of Tatarstan president shall submit for confirmation the structure and table of authorized strength of the Department of Foreign Relations of the Republic of Tatarstan President.

4. To declare as no longer in effect Edict of the Republic of Tatarstan President No. UP-338, dated 20 July 1992, "On the Department for Foreign Affairs and Affairs of the Commonwealth of Independent States."

5. This edict enters into force as of its date of signature.

[Signed] President of the Republic of Tatarstan

M. Shaymiyev

Kazan, the Kremlin, 1 August 1995

Edict of the Republic of Tatarstan President: On the Appointment of T.Yu. Akulov as Director of the Department of Foreign Relations of the Republic of Tatarstan President

To appoint Timur Yuryevich Akulov director of the Department of Foreign Relations of the Republic of Tatarstan President and state counselor of the Republic of Tatarstan President on international affairs.

[Signed] President of the Republic of Tatarstan

M. Shaymiyev

Kazan, the Kremlin, 1 August 1995

Soskovets Cited on Economic Prospects for Mordovia

LD0808125595 Moscow Radio Rossii Network in Russian 1000 GMT 8 Aug 95

[FBIS Translated Text] First Deputy Prime Minister Oleg Soskovets is touring the country. He has visited Mordovia and is to move on to Bashkiria. Before flying to Ufa, the capital of Bashkiria, he gave a news conference in Saransk and summed up the results of his visit to Mordovia. Our special correspondent, Regina Lukashina, is on the line:

[Lukashina] The first deputy prime minister said he is worried more than anything else about the situation in the republic's military-industrial sector, where what used to be hidden unemployment is starting to become more visible. The enterprises are not getting orders, but the system of target planning can no longer justify itself, Oleg Soskovets said. He is also not happy that many heads of enterprises have not managed to make use of the advantages to be gained from liberalization of foreign trade, they are not seeking ways to penetrate the foreign market, which means that even enterprises that have all it takes to be competitive have not found markets for their goods.

An area requiring separate study is Mordovia's energy sector. The republic imports fuel, while its own fuel production is almost in ruins, for example, Heat and Power Station Number 2 [TETS-2] in Saransk, which was one of the places the first deputy prime minister visited during his working tour. Anatoliy Dyakov, president of the Russian joint stock company Single Power System, has been given the specific task of settling these issues. As for Mordovia's other problems, six weeks before his visit, the republic's demand for state credits exceeded the 1.2 trillion rubles, which is unrealistic. The first deputy drew particular attention to the situation at one of the region's biggest enterprises, the (?Centralit) Plant, now completely neglected due to the fatalism of its managers. The factory is in debt to everyone, to the power sector, the transport workers, and metallurgical industries as well as to its own workers, while it is owed a fair sum by the Ulyanovsk Car Plant and other engine plants. But no one is going to take extra measures, Oleg Soskovets said, apparently hinting that only a change of management can save the factory.

A major problem in the republic, he said, is the lack of housing construction. This sector is only working at 30 percent of required capacity. Also, businesses are not investing in industry or other sectors. The republic's economy is so sensitive that it can be knocked off balance by a suggestion from the mayor of Moscow that the lamps made by the (?Lifa) association are no good. The enterprise instantly lost its export orders.

Oleg Soskovets said the situation for people in the agrarian sector is difficult, but completely rectifiable. As soon as the emphasis on financial dependence typical of the Soviet period is corrected, and this takes more than a year, we will be on our feet.

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Irkutsk Militants Arrested After Terrorist Threats bat>[TRUD 5 Aug]

MM0708154095 Moscow TRUD in Russian 5 Aug 95 p 1

[Report by Aleksandr Danilkin: "They Wanted To Turn Irkutsk Into Budennovsk"]

[FBIS Translated Text] A group of terrorists that has kept all the city authorities in suspense for almost two weeks has been arrested.

The events began with a telephone call to the chief of the oblast administration of the federal mail service. The unknown person instructed him to collect a letter from a mailbox. The message's authors — the "leaders of a Chechen criminal grouping" — instructed that Irkutsk Oblast Administration be approached and that it allocate $3 million for the needs of terrorists, otherwise, "the Chechen grouping will begin a major series of terrorist acts — murders, arson attacks — and will organize another Budennovsk."

Three days were given to think it over. In the event of agreement, some television broadcast was to be put on air at 0300 hours on Irkutsk television. It was demanded that the money, only in $100 bills, be put into a paper bag. The bag of dollars was to be handed over to the cash desk at the "Chayka" cinema.

The law enforcement organs immediately began an urgent search. The money in the bag was taken to the cinema cash desk but nobody turned up to get it. In the interests of the investigation we cannot yet report how this grouping was arrested. It consists of five people. The youngest is 15 and the eldest 19 years old. A preliminary check has shown that the extortionists do not have any links with criminal groupings.

Irkutsk Seeks To Define Relationship With Moscow

MK0608103895 Moscow SEGODNYA in Russian 5 Aug 95 p 2

[Report by Yelena Tregubova: "Irkutsk Oblast Is Yet Another Aspirant for an Agreement With the Center. The Ministry for Nationalities' Affairs Promises That 89 Agreements Will Be Concluded Sooner or Later'"]

[FBIS Translated Text] In Irkutsk Oblast, documents for concluding an agreement with the [federal] center on delimiting their jurisdiction and powers are being prepared.

As Governor Yuriy Nozhikov said, Irkutsk Oblast "is not asking for any privileges or preferential treatment by the center, but it insists that its rights to whatever belongs to it should be secured." It will be recalled that among this region's "belongings" is Russia's largest gold ore deposit — Sukhoy Log. The document's developers assume it is the question of control over the mined gold that could cause the greatest problems in preparing the papers.

In addition to an agreement on delimiting ownership of natural resources and land, it is supposed that separate documents on interbudgetary matters, social security, law and order, health care, etc., will first be signed, and only then will a general agreement be concluded. In other words, it is planned to reproduce fully the procedure for signing agreements between Moscow and Russian republics.

Yuriy Nozhikov is the latest governor to urge Moscow "to put an end to the untoward practice of dividing Russian Federation components into first-rate —that is, republics, and second-rate — krays and oblasts." None of the kray or oblast leaders, however, has succeeded yet in being taken by the federal center into the family of "signatory" components, whose number is nearing 10.

Meanwhile, as your SEGODNYA correspondent was told at the Legal Department of the Ministry for Nationalities' Affairs, "official preparatory work" is currently under way only with Krasnodar Kray and Kaliningrad Oblast. According to a ministry official, "no corresponding application has been received" from Irkutsk Oblast. The ministry staffers emphasized that the process of signing these agreements "has got complicated due to the State Duma's refusal to pass a law on the procedure and principles for delimiting authority." They gave assurances, however, that "since we have 89 components, sooner or later there will be 89 agreements, as the possibility of concluding them is envisioned by the Constitution."

Self-Government Dilemmas in Soviets Pondered

954F2968A Novosibirsk SOVETSKAYA SIBIR in Russian 2 Aug 95 p 2

[Article by V. Malenko: "How Long Is the Sovereignty of the People To Be Watched Over?"]

[FBIS Translated Text] It is said that beautiful children are born from a longed-for marriage. Organized almost two years ago after the elimination of organs of people's authority in the form of the soviets, the new organs of local self-government have still not found this longed-for union at the rayon level. However, there is still some kind of blessing from the top. First of all in the new Constitution of the Russian Federation, in which four articles are provided in the section "Local Self-Government" that regulate the mutual relations of the local authorities. Article 130, for example, states

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directly: "1. Local self-government in the Russian Federation guarantees independent resolution by the population of questions of local significance, and ownership, use, and disposition of municipal property.

"2. Local self-government is implemented by citizens by means of referendums, elections, and other forms of direct expression of the people's desire through electoral and other organs of local self-government." There are also edicts of the president of Russia. Finally, the oblast soviet of deputies has approved the "Temporary Provision on Principles of Organization of Local Self-Government of Novosibirsk Oblast." (Of course, as one deputy noted, the "Temporary Provision" is hard to be found, and perhaps it makes sense to publish it in a separate brochure?)

Thus, poor but nevertheless not bad, there is a legal basis for the normal functioning of local self-government. But, evidently, if marriages of loving hearts are made in heaven, political ones are made only on sinful earth. This is very obvious in the example of Karasukskiy Rayon and in the mutual relations between the fragile sovereignty of the people and the almost all-powerful administration.

I will mention that SOVETSKAYA SIBIR has repeatedly referred to the burning subject of the establishment of the sovereignty of the people at the very core level of the state—the rayon. It can be claimed boldly: The better the rayons live, the better all of Russia will feel.

After the elimination of the soviets, the formation of rayon representative authority went poorly, especially in Karasukskiy Rayon. While in Karasuk itself elections to the city duma occurred within the framework of a normal electoral system (eight districts were apportioned, candidates were nominated, a secret vote was held, etc.), there was nonsense at the rayon level. At first, five deputies of the city duma and five elders and chiefs of village administrations were included in the rayon representative assembly (RPS). Then, all deputies and all elders and village administrators were included. A political hodge-podge resulted: The people's representative—the deputy, and the bureaucrat—the village chief, were put on the same level.

But life quietly had its effect, quietly for the time being. Only the deputies and elders remained in the rayon representative assembly, while the bureaucrats were removed. Although the assembly has almost no real controlling authority over the executive authority and the rayon representative assembly is under the direction of the chief of the rayon administration, still all of the functions of examination and approval of the budget were delegated to the RPS. But this already means something.

Little by little the feeling of dignity and responsibility toward the voters, and before the law, is being more keenly awakened among individual deputies. This was manifested clearly at the last session.

Among the first questions to be examined at it were the powers of the rayon representative assembly, changes in the status of the assembly, and the formation of its permanent commissions (which they finally remembered after more than a year). The questions are very important. But whether the agenda was unknown to the people's deputies until the last hour, whether the heat prevented them from discussing these pressing questions in an interested way, or whether there were other reasons, unfortunately, the dialogue concerning the authority and powers of the rayon representative assembly took place essentially between Aleksandr Maksimov, a deputy of the city duma, and Viktor Gergert, manager of the rayon administration, who chaired the meeting owing to his position.

Since the end of 1993 the local executive authority has been, in fact, uncontrolled on the part of the population, which supports it with taxes, Deputy A. Maksimov emphasized. This lack of control prompted N. Denisenko, former chief of the rayon administration, to commit serious financial violations, for which he was removed from his position by the oblast governor. The sluggish and amorphous condition of the representative authority continues to survive. In order at least somehow to strengthen it, the deputy proposed to elect a full-time deputy chairman of the rayon representative assembly who could devote himself entirely to the problems of reviving the sovereignty of the people; that is, to self-government, where much is unclear, and also to specific work with the people, with the executive authority, etc.

I will not say that the sensible proposal of the deputy evoked a lively response, as it is also impossible to claim that the dialogue proceeded at the deaf and dumb level. No. It was more subtle on the part of the administration: They said they are not against a full-time deputy, but.... But then there was a whole series of arguments against.

V. Gergert, chief of the rayon administration, for example, declared that he fully supports a strong government authority and stands firmly on positions of strengthening it, but.... "there is no full-time deputy in even one rayon of the oblast. Should we elect such a deputy here?" It seems that the worst example and not the best is to be taken as a model?

This kind of argument was also put forth. Very little time is left until the expiration of the term of office, and new elections apparently will be held sometime in March. Who will agree to leave permanent work for such a short period?

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First, nine months is not really such a short period of time.

Second, regarding "who will agree?" When the chief uttered this phrase, I thought: "Well, now Viktor Aleksandrovich will ask the audience about this directly." No, he did not ask. I know that at least one of the deputies would risk working on a permanent basis as a deputy in the rayon representative assembly.

What did the administration specifically propose to the people's deputies? The proposals are simple. So that our people's authority may breathe fully and function actively and look after the good of the people on an hourly basis, the chief promised to appoint one of his deputies as a curator to assist it and, in addition, a leading specialist for operational work. In other words, moving away from a professionally working deputy in the representative organ, the administration proposed to watch over the rayon representative assembly by way of its own bureaucrats.

Strange as it may seem, the people's representatives quietly agreed to the administration's proposal. And, in my opinion, they did not note yet another logical incident. Coming out in support of the proposal, their own manager, P. Parygin, the mayor of the city, declared that unlike the rayon assembly, permanent commissions were established in the city duma a long time ago, but the effectiveness of their work is low. Indeed, it is apparently low because there is no full-time deputy in the RPS.

P.S. Literally within several days ROSSIYSKAYA GAZETA published the "Statute (Approximate) on the District Assembly (of the Rayon)." In my opinion, it is not a bad legal document. It accurately and clearly delimits the functions and powers of the chairman of the district assembly working on a permanent basis from those of the position of the chief of the administration. Incidentally, it is recommended that an assembly staff of up to five persons be formed on a permanent basis. Perhaps the question about how to ensure a balance of powers of the deputies and village elders remains vague. But this can be brought into conformity only when the people's representative authority begins to work at full force.

Novosibirsk's Active Political Parties Examined

954F2963A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 28 Jul 95 p 6

[Interview with Dmitriy Puchkin, associate of the Regional Center for Support of Russian Statehood, by Dmitriy Gorbachev; place and date not given: "Let One Hundred Flowers Bloom? Myth and Reality of the Multiparty System in Novosibirsk"]

[FBIS Translated Text] The Regional Center for Support of Russian Statehood has prepared a unique and first-of-its-kind reference handbook on the political parties and movements operating in Novosibirsk Oblast. You have to know your politicians. Therefore, our correspondent Dmitriy Gorbachev posed several questions to Dmitriy Puchkin, associate of the Regional Center for Support of Russian Statehood and the coordinator of this project.

[VECHERNIY NOVOSIBIRSK] Tell us how the idea of producing such a reference work came about.

[Puchkin] The fact of the matter is that since the very outset of operation of the Regional Center, one of our main tasks has been to educate local politicians in political culture and establish a civilized multiparty system. Our center is equally impartial in its relationship to all political parties and movements. We assist parties in the conduct of various events, inform their leadership as to changes in our country's legislation, conduct meetings with political figures and deputies, and organize interaction between parties and the oblast administration and other organs of power. The need for such a reference handbook is obvious in my opinion. Both the parties themselves and the ordinary people of Novosibirsk know very little about local politicians. It is this gap that our work—small in volume but not in complexity of effort, attempts to fill. We worked on it for almost five months. It was quite a difficult matter to gather complete information, but the handbook is finally ready and the gap has been filled.

[VECHERNIY NOVOSIBIRSK] Tell us a little about the parties operating in our oblast.

[Puchkin] As of 1 July of this year, 39 political parties and movements were functioning in the territory of Novosibirsk Oblast. Some of them, such as the Kindness movement, Novosibirsk Democratic Front, and Working Novosibirsk, among others, operate only within the oblast and are not represented on the federal level. Certain parties exist and operate, but are not registered. Accordingly, they cannot nominate their candidates in federal-wide or local elections. The remaining parties can be arbitrarily divided into seven groups: democratic, 11; social-democratic, five; communist and left-centrist, eight; national-patriotic, eight; right-centrist, three; special-interest parties, three; and the Kindness movement, which does not fall within any of these categories.

Among the parties that have been operating in our oblast over the longest period of time are Democratic Russia, SDPR [Social-Democratic Party of Russia],

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RSDNP [Russian Social-Democratic People's Party], LDPR [Liberal-Democratic Party], RPRF [Republican Party of the Russian Federation], and MSDR [expansion not given]. These parties have been in existence since 1990-1991. In 1992-1994, another 21 parties became registered, and this year—11. On the other hand, 16 organizations ceased their activity in 1993-1995—organizations such as Democratic Union, NTS [National Labor Union], NDPR [expansion not given], Pamyat, and others. It is interesting that our city does not have a number of parties existing on the federal level—Peasant Party of Russia, Women of Russia, RKhDD [Russian Christian-Democratic Movement], Majority Party, Party of the Poor, Regions of Russia (Rybkin), Russian Civic Union (Volskiy), Common Cause (Khakamada), and many other fairly well known organizations, all of which use the mass media to claim broad representation in the regions and a great many branches in the localities, but for some reason are nonexistent in our oblast. True, representatives of Novosibirsk divisions of a few of these parties have quite possibly attended Moscow congresses, but we have not been able to properly identify local branches for them.

Sometimes, incidentally, there are factually existing branches of parties, organized and instituted, which are in no hurry to declare their existence and announce nothing to the press. These are doomed to meager membership strengths and gradual extinction. Twenty-six of the 39 parties are registered with the oblast justice organs; the remainder prefer to exist on their own. Among the most recent to register with us are the parties Forward Russia and Yabloko. There has been one instance of revocation of registration for falsifying documents (this happened with Russian National Unity in 1994).

[VECHERNIY NOVOSIBIRSK] What are the numerical strengths of local party groups?

[Puchkin] For the first time, we have managed to get an approximation of party numbers. True, these data come mainly from the organizations themselves and are therefore, most likely, somewhat inflated. As of 1 July, there were 9,090 members of all parties in the oblast. The largest in terms of numbers are the Russian Federation Communist Party, 4,000 members; Russia Is Our Home, 1,000; Agrarian Party of Russia, 1,000; Derzhava, 716; and LDPR, 500. In 27 organizations, the membership strength fluctuates from 14 to 100. The smallest organizations are RPRF and Yabloko—with 14 and 15 members, respectively. The statistical spread of party members by political orientation appears as follows: Communists, 60 percent; National-Patriots, 17 percent; centrists, 12 percent; democrats, 8 percent; special-interest parties, 3 percent; and social-democrats, 1 percent. Over 1994-1995, the ranks of the Russian Federation Communist Party grew significantly larger—by approximately 33 percent. The size of the People's Party of Russia increased by 50 percent, and that of the LDPR—by 40 percent. We believe there has been a large reduction in the membership of Democratic Russia, Russian National Unity, LSPRK [expansion not given], Socialist Party of Workers, and the Republicans.

[VECHERNIY NOVOSIBIRSK] What in your opinion is the political activity of Novosibirsk people as compared with average statistical data for the country?

[Puchkin] It is somewhat lower than the average level. Members of all parties comprise 0.7 percent of the number of inhabitants. If you consider the oblast and city together, this index becomes smaller still—0.45 percent. On the average across Russia, members of parties constitute about 2 percent of the population.

[VECHERNIY NOVOSIBIRSK] To what parties do our oblast leaders and deputies at various levels belong?

[Puchkin] Our governor and mayor are members of the electoral bloc Russia Is Our Home. Deputies of the State Duma and Federation Council belong to various political organizations. Nine deputies (22.5 percent) of the oblast soviet are party members, while eight (50 percent) in the city assembly belong to parties. The distribution of deputies by party affiliation is as follows: Russia's Choice, four; Republicans, one; NDF [expansion not given], four; and Communists, five. The multiparty aspect of representation in the organs of power is generally weak—of 39 parties, only seven have representatives there. Five Novosibirsk citizens belong to the highest leadership of their parties: Kozodoy, Koptyug, Loginov, Yankovskiy, and Kharitonov.

[VECHERNIY NOVOSIBIRSK] One final question. What is the situation with respect to the material base of Novosibirsk's parties?

[Puchkin] Membership dues are properly collected only in the Russian Federation Communist Party, which has decided to collect 5,000 rubles per member for the elections. The remaining parties prefer to keep the sources of their assets secret, which gives their enemies a pretext for accusing them of the most diverse offenses.

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Economic Issues

Deficit Viewed Higher Than Official Figures

MM0708124395 Moscow IZVESTIYA in Russian 5 Aug 95 p 2

[Report by Andrey Illarionov of the Economic Analysis Institute: "Crafty Budget Deficit Figure"]

[FBIS Translated Text] The end of the first half-year has been marked by numerous statements by government members on the execution of the federal budget. But from official reports it is not so easy to grasp what the actual size of the budget deficit is.

As a rule, government leaders quote in their speeches not absolute but merely relative figures (relative to their own plans or forecasts) — "the budget has been 97 percent implemented," "taxes have been 85 percent collected," "budget revenue is 101 percent of the planned figure," "the monetary base has grown only half as much as expected," "reserves are 40-percent bigger than planned," and so forth.

Since the planned levels of these indicators are not known to the general public, it is hard to get an objective picture of the economic situation.

A vivid example of that is the size of the budget deficit. Even among official sources there are differences about how big it is — ranging from 2.5 to 3.6 percent of GDP. How big actually is it?

According to preliminary Finance Ministry figures, federal budget revenue in the first half-year reached R83.2 trillion, and expenditure was R104.8 trillion; consequently the deficit was R21.6 trillion or 3.6 percent of GDP, on the basis that GDP in the first half was R606 trillion.

But certain amendments should be made to these figures. The size of the aforesaid budget revenue reflects, most probably, its potential rather than its actual level. The fact is that, as a result of a whole number of reasons, the Central Bank has been "underremitting" some of the revenue to Finance Ministry accounts. For instance, in the first four months of the year the Central Bank "underremitted" R2.7 trillion — or 0.8 percent of GDP — to the Finance Ministry. On the very cautious basis that this level did not increase in nominal terms in May-June, it amounted to no less than 0.4 percent of GDP for the half-year. This means that the revenue actually received by the budget is no more than R80.5 trillion — or 13.3 percent of GDP.

On the other hand, for some reason the aforementioned level of federal expenditure fails to include budget loans totaling R4.3 trillion (0.7 percent of GDP) and spending on repaying foreign debt totaling R7.8 trillion (1.3 percent of GDP). Thus, actual federal spending should be increased to 116.8 trillion — or 19.3 percent of GDP. As a result of the amendments to both revenue and expenditure the total federal budget deficit increases to R36.3 trillion, or 6.0 percent of GDP — which should clearly be considered a more accurate figure.

If we also take account of so-called long-term Central Bank loans issued in February-March — amounting to at least R9 trillion (or 1.5 percent of GDP) — the total deficit increases to at least 7.5 percent of GDP.

Thus, the budget deficit in January-June this year is less than last year — when it was 10.4 percent of GDP. And although there has undoubtedly been some real progress on cutting it, that progress continues to be more modest than had previously appeared from government statements. The ongoing maintenance of relatively high inflation rates, the problems in raising resources on the short-term state bond market, and the authorities' reluctance to familiarize society with the actual state of affairs in the monetary and financial sphere become more understandable against the backdrop of this sizable budget deficit.

Extra Revenue Sources Sought for 1996 Budget

LD0708173995 Moscow ITAR-TASS in English 1609 GMT 7 Aug 95

[FBIS Transcribed Text] MOSCOW, August 7 (ITAR-TASS) — A Russian lawmaker in charge of budget planning on Monday said the Russian government was torn apart by contradictions seeking additional revenue sources for the 1996 budget, as the development of the economic situation ran counter to their plans.

Aleksandr Zhukov, member of the State Duma Committee for Budget, Taxes, Banks, and Finances, said that, by contrast to government estimates, there was no economic growth, the production slump continued, and the inflation rate did not abate.

Seeking for possible revenue-building measures, the cabinet started considering a raise of excise rates and export duties for gas. Such move could not but meet strong resistance of the Gazprom joint-stock company, holding the lead in Russia's gas industry, and the national fuel and energy complex, Zhukov said.

In the lawmaker's opinion, this was the true reason for the delayed forwarding of a draft 1996 budget to the lower house. Under the Russian laws, the draft was to be submitted to the Duma before August 1. However, after three cabinet meetings on the budget, the government announced that it would be sent to the State Duma in the next two or three weeks.

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The lawmaker noted that the lower house was prepared to begin working on the draft immediately upon its coming to the Duma. He said that speaker of the house Ivan Rybkin had already ruled to establish a working group consisting of 24 lawmakers from different committees of the State Duma. The group will work at the Duma's budget committee.

FAPSI To Protect Central Bank Information

MK0508151295 Moscow SEGODNYA in Russian 4 Aug 95 p 4

[SEGODNYA-signed report: "FAPSI Ensures Protection of Central Bank Information at International Level"]

[FBIS Translated Text] Yesterday, the Russian president's Federal Agency for Government Communications and Information [FAPSI] and the Russian Federation Central Bank issued a joint statement. Reports have emerged in the mass media on the inadequate level of information protection at the Russian Central Bank, citing a statement by FAPSI General Director A. V. Starovoytov at the government meeting on 27 July.

FAPSI and the Russian Central Bank state that this report was taken out of the overall context of Mr. Starovoytov's statement. He did not mention the system of cash settlements or other confidential information in his speech, but spoke about the Central Bank's comprehensive protection system, that is, a complex scientific-technological and organizational problem that has not been definitively resolved in any country. At the same time, as the capacities and, therefore, complexity of computer hardware and software used by banks increase and the methods and techniques of scanning and destroying information improve, yet more aspects of these problems surface and they become increasingly complicated.

As for the system of settlements protection, the Russian Central Bank and FAPSI have taken a set of measures to create a state-of-the-art means of protecting the payments system. The measures just taken enable them to identify with assurance any counterfeit payment documents and to prevent them from being processed.

The system of protecting bank information will draw on techniques and methods certified by FAPSI, which ensure the confidentiality and authenticity of data at all stages of the technological cycle. The reliability level of the protection system is in line with world standards used in the banking business.

FAPSI, CBR Chiefs on Protecting Bank Information

MM0708195395 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 5 Aug 95 p 2

[Undated "joint statement" signed by A.V. Starovoytov, general director of the Russian Federation President's Federal Government Communications and Information Agency; and T.V. Paramonova, acting chairman of the Central Bank of Russia: "The Bank Is Reliably Protected"]

[FBIS Translated Text] "Reports have appeared in the mass media," the statement runs, "that the level of protection of information in the Central Bank of Russia [CBR] is unsatisfactory, alluding to the statement of A.V. Starovoytov, general director of the Russian Federation President's Federal Government Communications and Information Agency [FAPSI], at the Russian Government session of 27 July 1995.

"In this connection the FAPSI and the Central Bank of the Russian Federation affirm that this report has been taken out of the general context of A.V. Starovoytov's statement. The statement did not mention the system for the protection of monetary accounts and other confidential information, but spoke only of the overall protection of the Central Bank of Russia, that is, of a complex scientific, technical, and organizational problem, which has not yet received a final solution in any country at the present time. At the same time, with the emergence of new facilties and the corresponding increase in the complexity of the firmware used in banks, and the development of methods and means of removing and destroying information, this problem takes on increasingly new aspects and becomes still more complex. This was the emphasis of the general director's statement at the Russian Government session.

"As for the accounts protection system, the Bank of Russia and FAPSI have implemented a range of measures to create modern means of protecting the payments system. The measures adopted guarantee the detection of the appearance in the Central Bank's payments system of any false payment documents and prevents such documents from being processed. The system for the protection of banking information uses means and methods, certified by FAPSI, which ensure the confidentiality and authenticity of data at all stages of the technological cycle. The reliability of this protection conforms to world standards applicable in banking.

"The joint activity of the Central Bank and FAPSI is aimed at continuing the implementation of measures for

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the comprehensive protection of the Central Bank of the Russian Federation."

[Signed] FAPSI General Director A.V. Starovoytov

T.V. Paramonova, acting chairman of the Bank of Russia

Joint Statement Calms Fears Over Dollar Exchange

MK0708071695 Moscow SEGODNYA in Russian 5 Aug 95 p 3

[Report by Olga Romanova: "Exchange of Dollars May Be Accompanied by Increase in Russian Bank Deposits"]

[FBIS Translated Excerpt] The Federal Reserve System and the U.S. Treasury are due to start introducing new dollar bills starting the first quarter of 1996. Since Russia has accumulated more cash dollars than any other country in the world (apart from the United States itself) the question of gradually exchanging old banknotes for new ones may cause a certain anxiety.

Given that, yesterday [4 August], the Federal Reserve, the U.S. Treasury, and the Russian Central Bank issued a joint statement "with regard to the introduction of new U.S. banknotes in circulation starting 1996." Theodore Allison, adviser to the U.S. Federal Reserves's Board of Governors, explained at a news conference that no banknotes issued before 1996 would be recalled or proclaimed invalid. Nor will any deadline for exchanging pre-1996 bills be set. All authentic U.S. banknotes, regardless of when they were issued or how damaged they are, are subject to acceptance in the United States under U.S. law. [passage omitted]

Nonetheless, the joint statement by the Federal Reserve, the U.S. Treasury, and the Russian Federation Central Bank says prophetically that "certain traders or financial institutions may try to exploit people's concern over the safety of their currency savings in their own interests by setting an unreasonably high charge for the acceptance and exchange of old banknotes." Encountering in practice the principles of operation applied by certain banks that refuse to accept dollars issued before 1990 or even 1992 or what they see — without any reason whatsoever — as "damaged" bills, one may conclude: Fears that they may scale down operations with old banknotes are based on weighty grounds.

"The Federal Reserve calls on holders of U.S. currency not to give way to panic when new U.S. banknotes emerge and to exchange old currency at reasonable rates." To all appearances, Russian commercial banks will charge money for such an exchange so as to recoup their expenses relating to the transportation of new bills at best or to try to maximize their profits at worst.

"We plan to hold a number of meetings with representatives of banks," Yevgeniy Ivanov, deputy chief of the Main Currency Regulation Department of the Russian Federation Central Bank, said. "We are trying to reach an agreement with them so that no one will try to exploit the situation in order to earn superprofits. The Central Bank also plans to reach agreement with the customs service so that banks will be able to take old dollar bills out of the country without hindrance." [passage omitted]

The overall amount of cash dollars in circulation in the world is $390 billion. From 65 percent to 75 percent of cash dollars circulate outside the United States. Currently, $25 million worth of counterfeit banknotes are fabricated in the United States annually, which is much less than losses suffered by Americans in connection with other types of financial crimes, such as the manufacturing of counterfeit checks or illegal credit card dealings. The influx of cash dollars into Russia peaked at the end of the summer of 1994 and in January 1995 ($2.5 billion). But beginning with the first quarter of this year the importation of foreign currency dropped sharply (three-fold).

Tatarstan, Russia's Gazprom Sign Gas Supply Accord

LD0708121595 Moscow ITAR-TASS World Service in Russian 0725 GMT 7 Aug 95

[By Vladimir Belyayev]

[FBIS Translated Text] Moscow, 7 Aug (ITAR-TASS) — An agreement between the Tatarstan Government and Russia's joint-stock company Gazprom on supplying the settlements of the republic with gas has been signed in Moscow, the ITAR-TASS correspondent learned in the Gazprom press service today.

The document provides for the completion of the gas supply to Tatarstan's towns, district centers, and villages. Russia's joint-stock company Gazprom will lay new pipelines for the transportation of natural gas and construct technical facilities.

Tatarstan Prime Minister Farid Mukhametshin and Gazprom Deputy Chairman Valeriy Remizov signed the document. The sides have agreed all the issues relating to financing and material and technical backup for the construction.

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Article Views Furor Brewing Over Gazprom Finances

MM0708133695 Moscow IZVESTIYA in Russian 4 Aug 95 pp 1-2

[Article by Irina Savvateyeva: "Nowhere Else But at 'Gazprom....' The Authorities Have Decided for the First Time To Reveal the Giant Concern's Financial Secrets"]

[FBIS Translated Text] Throughout the past week a subject has been developing slowly but surely. It has not yet become a sensation, but it is potentially very promising and very significant. The authorities have started speaking, for all to hear, about the possibility of "stripping naked" ["podrazdet"] "Gazprom" — which they have not ventured to do for at least the past three years.

First, at Wednesday's government session Economics Minister Yevgeniy Yasin voiced his intention to "curb" a number of natural monopolies which "so far have lived well." In this context he expressed a supposition on the expediency of depriving "Gazprom" of a number of privileges. Next, presidential aide Aleksandr Livshits remarked in an interview for the newspaper SEGODNYA that "it would be impossible to continue keeping 'Gazprom's' potential in reserve without definite losses for the economy...."

"Gazprom" itself tried to portray that position as the "personal opinion" of individual high-ranking officials. It is perfectly obvious, however, that in present-day Russia, such high-ranking officials would not suddenly express their own personal views on such a delicate issue as "Gazprom's" financial state.

What, then, has been left out of the picture? An unseemly scandal with the IMF. On analyzing the reasons for the slowly advancing financial stabilization, the continuing inflation, and the difficult situation with the budget, IMF specialists discovered, in particular, that "Gazprom" still has its own stabilization fund. Meanwhile, back at the beginning of this year the Russian Government reported that all sectoral nonbudget funds had been liquidated as of 1 January 1995 and their assets consolidated into the budget. A highly scandalous situation arose: The IMF accused the Russian Government of supplying "incorrect information."

Meanwhile, the abolition of the "Gazprom" stabilization fund, as well as the increase in excise duty on gas sales from 25 to 35 percent and the increase in export duties from 2 to 5 ECU's — all these measures were provided for in the 1995 budget and the government statement. Not one of them has been fulfilled. In connection with the tense situation which has arisen over the budget, the government has once again started talking of the need to implement these measures.

According to information we have received from the Russian Government, Viktor Chernomyrdin entrusted Anatoliy Chubays with investigating this issue, and Chubays entrusted Yasin. Thus, the cautious statements by the minister of economics at the government session certainly were not some sort of "ad-libbing" on his part. Moreover, the text of Yasin's report was agreed in advance with Chernomyrdin.

At present one can only guess at the sums involved. One high-ranking source in the Russian Government, complaining about "Gazprom's" totally closed nature, remarked: "We cannot check anything thoroughly." The government also doubts that it will be possible to secure "Gazprom's" balance for analysis.

"Gazprom" itself maintains that the amounts that the budget is claiming will ruin the sector, since there is no money — because of nonpayments, because of the dollar's fall....

Here, however, are figures characterizing the size of budget receipts from the oil and gas sector in various countries. So, Russia: Producing 12 percent of the GDP, our oil and gas workers give the budget 8.8 percent of its revenue. But in Indonesia, where the sector's share of GDP is roughly the same (12.3 percent), the budget receives 34.1 percent of its revenue from the sector. In Mexico, oil and gas — which make up just 2.1 percent of the GDP — provide 15.8 percent of budget revenue.

Thus, it is perfectly obvious that the budgetary burden on the Russian oil and gas sector is far removed from world standards. At the same time the overwhelming majority of specialists tend to the view that the state has already thoroughly "stripped" the oil industry and that there is nothing more in particular to take from them. But as for the gas industry....

There are things which everyone can see. For example, the complex of new "Gazprom" buildings. Its provocative extravagance in half-destitute Russia makes the most impartial observer ponder on the effectiveness of the existing mechanism for distributing revenue from the gas extracted in Russia. According to rough estimates, the vast "Gazprom" offices could cost something like $600-800 million. To all appearances, this was not the gas industry's last money. We have managed to obtain from confidential sources some figures on the state of "Gazprom's" finances.

It has long been known that the average wage in the gas sector is the biggest in the country. It is approximately 2 million rubles [R] a month. It is a little-known fact, however, that R2 million is far from everything that the

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statistically average "Gazprom" worker receives. For, in addition to the labor remuneration fund, which stands at R2 trillion, the gas workers also have the social development fund, which will amount to approximately R10 trillion in 1995! This despite the fact that this fund accounts for far from all the social expenditure. For example, expenditure on building a vacation base comes under the department for... "opening up fields." Expenditure of R1 trillion a year on funding the apparatus is counted as a separate line.

It will not be out of place here to remark that the overwhelming majority of sectors are totally devoid of such a luxury as social development funds. Moreover, the "statistically average 'Gazprom' worker" is a quite mythical creature. It is widely known that the wage arrears at "Gazprom" at times reach several months.

Here are interesting figures for appraisal: During the first half of 1995, "Gazprom's" gas production costs stood at R12 trillion. Capital investments cost R9 trillion. All social expenditure reached R6.3 trillion. It is interesting that, in addition to all this, a further R11 trillion was spent in the first half-year under the "current expenditure" heading.

Finally, that scandalous stabilization fund. According to the estimates of "Gazprom" workers themselves, during the first half of this year alone it amounted to R15 trillion ($3 billion!). At the same time, this fund is formed on the basis of a highly dubious normative base — by means of deductions from the production cost and part of the profits. In accordance with a presidential edict, the deduction normatives are determined... in the course of coordination with the Ministry of Economics and the Ministry of Finance. That is, "Gazprom's" taxable base is actually formed not on the basis of a law that is binding on all market players but in the course of a kind of "process of agreement" with individual officials of individual departments. A totally unprecedented practice even in conditions of "multi-option" Russian reality.

According to preliminary assessments by the Ministry of Economics, "Gazprom's" funding surplus amounted to R13 trillion just for the eight months of this year.

So, what now? The chief question is this: Will Viktor Chernomyrdin allow his immediate subordinates to conduct a serious investigation into his own intimate creation?

All this is a task with a lot of unknowns. For example, we do not know for sure to what extent Chernomyrdin still controls "Gazprom." If the premier does sanction an investigation, will Rem Vyakhirev submit? Or will he set about looking for roundabout ways to the president?

There can be no doubt that there will be a lot of people in the president's entourage who will wish to "assist" the aggrieved gas workers in order to dislodge the economic foundation of "Gazprom" from under Chernomyrdin the politician.

On the other hand, you will not envy the premier if he makes the decision not to trouble "Gazprom." At the height of the election struggle his political opponents will not omit to use such a deadly argument for the leader of "Russia Is Our Home" as the concealment of "Gazprom's" revenue from the needy and impoverished Russian people. In the light of the "'Gazprom' exposes," the talk of how the biggest fortunes in Russia are made will receive a new boost and will also acquire a quite definite thrust.

Power System Company Boosts Incorporation Capital

MK0608082095 Moscow SEGODNYA in Russian 5 Aug 95 p 3

[Report by Natalya Gotova: "RAO 'YeES' Increases Incorporation Capital 308 Times. Company Hopes Not To Register Prospectus"]

[FBIS Translated Text] Yesterday, shareholders of the "Single Power System of Russia" Russian Joint-Stock Company [RAO "YeES"] approved the company board of directors' proposal to increase the incorporation capital to 21.5 trillion rubles [R]. The value of one RAO "YeES" share remains the same (R500). The incorporation capital will be increased 308-fold through the issue of additional shares that will be distributed among the holders in proportion to their part in the company's incorporation capital.

Company President Anatoliy Dyakov has announced that the incorporation capital is being increased in line with Russian Federation Government decrees on the revaluation of capital assets. Despite the fact that the special meeting of the federal power system shareholders approved a draft prospectus for the company, this document may not be needed at all. The Russian Federation president is to sign a draft edict on increasing the RAO "YeES" incorporation capital which provides for the registration of an issue of shares without having to approve the prospectus. Should the edict be signed, the company will not have to pay into the state budget the 0.5 percent of the sum resulting from the revaluation of its capital assets.

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Federal Agencies Coordinate Structure of Oil Groups

LD0808105895 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (PIA-INTERFAX) — The Russian Fuel and Energy Ministry, the Russian State Committee for Control over State Property and the Russian State Committee for Antimonopoly Policy and Support for New Economic Structures have coordinated the structure of almost all of Russia's large oil companies, including LUKoil, YUKOS, SIDANKO and the Rosneft state enterprise, a source close to the government staff told INTERFAX Petroleum Information Agency.

According to the source, this issue was discussed at a meeting by heads of the Fuel and Energy Ministry and the government, however, "a final decision on the structure of the companies was not taken. In the near future, the government will discuss draft resolutions from the ministries on each of the oil companies, and give the final word," noted the source.

Earlier this year it was announced that the oil companies' structure will be determined by the government by September 15.

A draft government resolution "On the Improved Structure of the YUKOS Oil Company" provides for the company to expand and include the Samaraneftegaz oil and gas extracting venture, petroleum derivative suppling companies of Belgorodnefteprodukt and Voronezhnefteproduktavtomatika, as well as the Nefteyugansknefteprodukt and Khanty-Mansiisknefteprodukt (both to be formed on the basis of Severnefteprodukt which is under subdivision).

Today YUKOS includes the Yuganskneftegaz extracting venture, the oil refineries Kuibyshevnefteorgsintez, Novokuibyshev and Syzran, and eight trade ventures.

Oil Trading Joint Venture in Kaliningrad

WS0708131395 Tallinn BNS in English 2038 GMT 6 Aug 95

[From the "Baltic Business Weekly" feature]

[FBIS Transcribed Text] The first oil trading joint venture in the Kaliningrad region of Russia was registered in the town of Baltiysk. Several Russian companies and Swedish Bomark company became the founders of the enterprise. The information on distribution of shares is not made public.

The leaders of the JV say that it was established with the help of region's administration and the headquarters of the Russian Baltic Fleet.

At the first stage the company intends to export about 1.5-2 mln tons of oil products a year through the semi-military port of Baltiisk. Moreover, the company will support Russian navy and merchant fleet with fuel as well as with lubricates and will develop the infrastructure to support Kaliningrad region with oil products.

Contract Signed for Next Stage of Yamal-Europe Pipeline

MK0708055495 Moscow SEGODNYA in Russian 5 Aug 95 p 1

[Report by Rustam Narzikulov under the "Export" rubric: "The Crossing of the Oder Opens Up a New Export Corridor for Russia"]

[FBIS Translated Text] One day after signing a contract under which Western banks pledged to give the Gazprom Russian Joint-Stock Company a loan of DM1.3 million, yet another agreement was reached signalling the beginning of practical implementation of Yamal-West Europe, the world's largest gas project.

Yesterday, a contract on the construction of one of the most important sections of the Yamal pipeline was signed, namely, a section that will pass across the Oder River on the Polish-German border. Technically, the "zones of responsibility" for laying the Yamal-West Europe gas pipeline will be divided in such a way that construction of a 3,500-km sector from Yamal gas fields to the Belarusian-Polish border will be carried out by Gazprom; then, on Polish territory, where the pipe is 670 km long, the project's operator will be the Europol Gas company; and, finally, in Germany, the Yamal gas pipeline will be joined to the MIDAL-STIGAL system, owned by Wingas.

A contract for the construction of a passage across the Oder in the area of Frankfurt an der Oder was signed between Wingas and Europol Gas, a German and a Polish firm in which Gazprom nonetheless has stakes of 35 percent and 48 percent respectively.

The construction of the passage across the Oder is to be completed by 28 September of this year, while as early as the fall of 1996 Russian gas will start coming through the passage. It is not by chance that construction of the Yamal-West Europe gas pipeline is carried out "in reverse order" (for which reason it started on German territory) — in the next decade it is not so much Yamal gas itself that will be of greater importance, but Russia's acquisition of an alternate route to transport gas to Europe. Deliveries of this raw material across Belarus and Poland will make it possible to avoid monopolistic dependence on what is presently the sole export pipeline, laid across Ukrainian territory.

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The estimated cost of the Yamal-West Europe gas pipeline is $40 billion, of which $10-12 billion are to be spent on the development of the Yamal gas fields proper. The pipeline's annual capacity will be 83 billion cubic meters of gas. Gazprom's partner in Belarus is Beltransgaz; in Poland, the Polish firm PGNiG and the German firm Wintershall; in Germany, Wintershall.

Compensation for Drought-Hit Grain Farm Inadequate

MM0708135995 Moscow ROSSIYSKIYE VESTI in Russian 5 Aug 95 p 3

[Unattributed report: "Granaries Contain 23.5 Million Tonnes of Grain. Not a Single Tonne Procured"]

[FBIS Translated Text] According to the Ministry of Agriculture and Food, the damage that the unprecedented drought has done to agricultural enterprises in southern Russia is estimated at 1.5 trillion rubles [R]. The steps taken by the government with a view to somehow compensating for the unexpected harvest losses may prove totally inadequate. By government decree of 19 July, hard-hit farms will receive just R25 billion. This money is at most enough to obtain what is necessary for the winter sowing. That view was voiced by Aleksandr Yefremov, deputy minister of agriculture and foods.

It is hard to make any forecasts regarding future grain harvests. Producers are more worried about who will buy the grain and with what. (According to some figures, the grain harvest may total no more than 76 million tonnes for all the theoretical state "target" of 82 million. If that happens the harvest will be the lowest in the last 25 years).

Aleksandr Yefremov recalled that last year, after promising to buy 11 million tonnes of grain from peasants for the federal stocks, the state was only able to buy 2.6 million. "Roskhleboprodukt" did not have the money. The repayable loans which it had issued previously were not returned. Things are no better with the repayment of these loans this year although the Federal Food Corporation that has been set up is making gigantic efforts to "extract" money from debtors.

Peasants would do better not to expect someone to come along and buy their grain, but to seek market-oriented sales opportunities. There are increasing numbers of commercial firms buying up grain. They very often do not just perform a marketing function but also act as suppliers, providing peasants with material and technical resources on credit in return for prospective grain procurements.

But these businessmen and private operators are by their very nature interested in making a fortune out of the peasants. The grain market infrastructure should be developed on a cooperative basis to ensure that the peasants themselves can influence the activity of the service enterprises that they have already set up. Just as it is up to those who are drowning to save those who are drowning, so grain sales will remain the business of those who produce the grain. So far the state has not bought a single tonne of the 23.5 million tonnes of grain from the new harvest.

Grain Harvest Progress: State Committee for Statistics Figures 31 July

	1995	1994
Cut, million hectares	16.4	6.8
Threshed, million hectares	15.0	6.0
Grain milled, million tonnes	23.5	15.0
Yield, quintals per hectare	15.6	24.9

Agriculture Ministry Forecasts Grain Harvest

LD0808110795 Moscow ITAR-TASS in English 1035 GMT 8 Aug 95

[By Alekseiy Filatov]

[FBIS Transcribed Text] MOSCOW, August 8 (ITAR-TASS) — Russia hopes to gather in some 80 million tonnes of grain this year. Around 30 million tonnes have already been brought in. The crop growers promise to meet demand for both food and fodder grain, sources in the Ministry of Agriculture told ITAR-TASS.

The outlook is optimistic despite this summer's drought, they said. Maize will help make up for the losses caused by the complex climatic conditions.

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According to specialists of the Ministry, the crops are not as good as expected in a number of regions. Even in Kuban, Russia's breadbasket, the yield ranged between 20 and 40 centners of grain per hectare. The hot weather, however, was quite favourable for maize, and although originally intended only for the silos, it is likely to yield full-grown corn, which was rarely the case here in the past.

The Ministry specialists expect 500,000 hectares of maize to yield full-grown corn in addition to another 500,000 hectares which were sown for corn.

This will save large amounts of food grain which would otherwise have to be used to produce combined fodder.

Daily: Food Production Will Continue To Decline

MM0708160295 Moscow TRUD in Russian 4 Aug 95 p 2

[Report by Yelena Berezneva: "Young Bull Comes, Sways??"]

[FBIS Translated Text] According to long-term forecasts by Federation Council experts the fall in the production of agricultural products will persist for at least three years — this year and the next two years.

While in 1990 the Russian countryside produced 5.768 million tonnes of meat, last year it produced less than half as much — 2.336 million. This year we will receive an even more meager ration — 2.2 million tonnes, and 2.05 million at most in 1997. Everything that could be killed and eaten has been put to the knife. Time, resources, and funds are needed to replenish the drastically thinned out communal herd with new "horns and hooves."

If there is no meat there will be no sausage, canned stew, or other food products produced from meat. We produced 1.689 million tonnes of sausage in 1990 but only 1.046 million in 1994. We can count on a maximum of 1 million tonnes in 1995-1997 and 1.1 million in the year 2000.

Butter production has already decreased from 828,000 tonnes in 1990 to 460,000 in 1994. This year there will be even less of it — 410,000 tonnes, and 370,000 in 1997.

The fairly shallow rivers of milk are turning into quiet brooks before our very eyes. Farms produced almost 18.25 million tonnes of milk five years ago but only 5.7 million last year. There will be even less milk this year — at least 200,000 tonnes less. By all accounts this depressing level will persist next year.

Russian-produced cheese, the production of which fell from 439,000 tonnes in 1990 to 267,000 in 1994, will become even scarcer. This year the quantity will decrease by another 7 percent.

Whichever way you look at it, we are "down" everywhere. There will be a continuing fall in the production of powdered milk, canned and bottled dairy goods, and sugar, and correspondingly of confectionery and even cooking salt, with which there were difficulties only during the war.

Russian-produced beer, which has been cleared from the shelves, is apparently also going to be on the verge of almost complete oblivion. Beer production has almost halved in some four years. This trend will persist for the next two years at least.

Our food concentrates, tea, and nonalcoholic drinks will be making increasingly rare appearances on the shelves. Our vegetable oil promises to be even more scarce. While 1.114 million tonnes was produced in 1990 and 782,000 tonnes in 1994, this year 575,000 is expected at most. The regions producing it now quite often sell sunflower seeds abroad. For next to nothing. To Turkey, for example. We then purchase the finished product abroad, wasting foreign currency.

By giving preference to foreign "soap operas" and foreign soap, we will soon forget the smell of our own "Zemlyanichnoye." Russia produced over 420,000 tonnes of various soaps in 1990 and 140,000 in 1994. In the next few years only 120-130,000 tonnes of this cheap detergent will be delivered to the consumer.

What comes to mind is the half-forgotten children's rhyme about the young bull who comes, sways, and sighs on the hoof, saying, the board is swaying, I am going to fall down now. Alas, our economy is like that hopeless, short board. From top-level platforms people tirelessly repeat that the peak of the production slump has passed and that tomorrow will be better than yesterday. But we now have little faith that the "little sign" hanging over the precipice will prevent us from falling down it.

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International Affairs

Admiral Views Joint Exercises, BSF Problems

LD0708213895 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 7 Aug 95

[FBIS Translated Text] The joint Ukrainian-U.S. naval exercises in marine peacekeeping held recently on the Shyrokiy Lan test grounds near Nikolayev could have been trilateral with the participation of Black Sea Fleet subunits, Rear Admiral Mykola Kostrov, who was in charge of the exercises, told the UKRINFORM News Agency. He said it would have made them more interesting and more diversified. Ukrainian servicemen and the Black Sea Fleet share good relations at the grassroots level, he added.

During the interview, which was made during the course of the exercises, Kostrov answered several other questions. He said the environmental situation in Sevastopol harbors, where Black Sea Fleet ships are stationed, was not just critical but dangerous. The problem of water pollution has never been brought to public attention. Meanwhile, the presence of ships left to rust in Ukrainian harbors is fraught with dangerous consequences for the coastal environment and will affect the present and future generations, Kostrov said.

Commenting on the recent statement on Russian Public TV by Black Sea Fleet Commander Eduard Baltin regarding the state of bases handed over to Ukraine in Ochakov and Izmail, Mykola Kostrov said they had been handed over not because the Black Sea Fleet did not need them but because they had become very difficult to maintain as electricity, water, and heating had to be purchased. Last winter, Ukraine spent 18 billion karbovantsi to repair the boiler in Ochakov, even though the Ukrainian Navy did not own the base then. As for the allegedly plundered storehouses, Kostrov said the Black Sea Fleet had taken all of its property. The same was true in Izmail, where the fleet management owed wages to employees. In violation of the law, the fleet management sold a sailors club to commercial agents together with the Red Banner Danube Flotilla War Museum, a hospital, and a laundry facility. Obviously, someone made a profit there, said Kostrov.

Speaking on the establishment of the Ukrainian Navy, Kostrov said its development only began in April 1992 and continued in very difficult financial, economic, and psychological circumstances. At the same time, the Ukrainian Navy had become a reality and now owned 15 warships. In the future, it expected to acquire fighting units of a smaller caliber.

Commentary Views Moscow's 'Annoyance' at PFP Program

AU0808112095 Kiev MOLOD UKRAYINY in Ukrainian 4 Aug 95 p 1

[Unattributed commentary: "Russia Is Not Pleased With Ukraine? That Is Its Own Problem"]

[FBIS Translated Text] Russian diplomats and the military do not conceal their annoyance at the intensification of Ukrainian-U.S. military cooperation. They openly emphasize this and reinforce their displeasure with diplomatic and other measures. It is becoming increasingly obvious for observers that the propaganda campaign stressing the strategic significance of the partnership between Russia and Ukraine in all spheres is yet another myth.

As pointed out by Ukrainian political scientists, the behavior of the Russian political, power, diplomatic, and military elite has become yet more confirmation that the "double-standards" policy of which official Moscow accuses everybody else is in fact the prerogative of the Kremlin, which tends to forget immediately all norms when something allegedly threatens its own interests.

Here, the intensification of military cooperation between Ukraine and the United States is a typical occasion. Just after the completion of the joint Ukrainian-U.S. naval exercises that were conducted on the Shyrokyy Lan training ground in Nikolayev Oblast, the so-called objective Russian press responded with relevant commentaries. IZVESTIYA accused Ukraine of ignoring the role of Russia. According to the writer, Ukrainian and U.S. marines had been depicted almost as troops engaged in rehearsing ways to settle the Crimean conflict, because the author of the publication thought that the code name for the operation, "Cimmeria," is strongly reminiscent of the name of part of Ukraine: the Crimean peninsula. It is as though the author had not noticed that the Ukrainian- American cooperation is implementation of the "Partnership for Peace" [PFP] program, which Russia finally recognized as conforming to the interests of peace and stability in Europe.

The behavior of the Russian military during the celebration of Navy Day in Sevastopol was a most obvious reaction to Ukrainian-U.S. cooperation. Political scientists are convinced that Admiral Volodymyr Bezkorovaynyy, commander of the [Ukrainian] navy, not being admitted to the festive platform was one in the series of such reactions. With the difference that it was even more cynical and impertinent. This was, incidentally, pointed out by Ukraine's Foreign Ministry in the Note to the Russian Ministry of Foreign Affairs. However, it is most unlikely that there will be any reaction in the Russian

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external department to that Ukrainian protest, at least because, in view of the pre-election situation in the Russian Federation, all means are acceptable for achieving the end. The Crimean card is the most convincing and conspicuous one in this case.

Russian reaction to the participation of Ukrainian naval sailors in the "Breeze '95" multi-national naval exercises in the Black Sea may be viewed in the same context. During informal contacts with representatives of diplomatic missions in Ukraine, Russian Ambassador to Ukraine Smolyakov, when he recalled the Ukrainian participation in "Breeze '95," complained that Ukraine seems to forget that Russia is its strategic partner.

Well, Ukrainians could see in Sevastopol how such a strategic partner behaves, but let me also remind you that the "Breeze '95" exercises are also precisely within the framework of the PFP program. The naval personnel of seven countries, including the U.S. 6th Fleet, are taking part in it.

However, it is very difficult for Russia to get used to the fact that Ukraine is a sovereign state and that it is up to it to decide where and when to send its naval personnel. Incidentally, Moscow also fails to realize that Ukraine and Ukraine alone will decide where the headquarters of its navy will be stationed. It is no accident that the visit of Ukraine's Prime Minister Yevhen Marchuk to Moscow has now been delayed for a second time. Let me remind you that he was expected to go to Moscow first on 1 August and then on 2 August finally to resolve the Black Sea Fleet problem. However, according to information agencies, despite all the previous accords, Moscow again insists on Sevastopol receiving the status of a Russian city and becoming the main base of the Russian Black Sea Fleet. It is obvious that this lack of consistency on the part of Russian political, military, and power structures is due not least to Ukraine's independent course toward military and political integration with NATO and, first and foremost, with the United States. It is realized in the Kremlin that, without Ukraine, the very idea of a military-political union within the framework of the so-called CIS is unrealistic.

Problems in Fleet Talks With Russia Explained

WS0708131595 Lvov INFOBANK in English 1141 GMT 7 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] A representative of the Ukrainian Embassy in the Russian Federation told an INFOBANK correspondent that negotiations between groups of experts from Russia and Ukraine regarding the Black Sea Fleet, which took place in Moscow on August 3-4 ended without any positive results. In his words, the Russian side would not agree to give its fleet based in Sevastopol the status of foreign military forces on the territory of another country. According to international law, such status requires that the foreign military units pay rent for land and buildings used and compensate for environmental damage, and that a clearly-defined period during which the foreign military forces will remain on the other country's territory should be determined. The Russian delegation insisted that Sevastopol be given Russian territorial status. In addition, during the negotiations the Russian delegation refused to examine a mechanism for the denouncement of future agreements, since they believe that they cannot be subject to denouncements. Both sides did agree that a new round of talks concerning this problem would soon take place in which Prime Ministers of Ukraine and Russia Yevhen Marchuk and Viktor Chernomyrdin, would take part.

Deputy Minister Explains U.S. Credit Line

WS0708120695 Kiev INTELNEWS in English 2334 GMT 6 Aug 95

[FBIS Transcribed Text] Kiev, Aug 3 — The strength and promise of Ukraine's agriculture industry portends a long and close relationship with the United States, said Gregory Huger, U.S. Agency for International Development mission in Ukraine, Belarus and Moldova chief on Thursday [3 August].

Huger said that the Ukrainian-American agreement entered into during U.S. President Bill Clinton's visit to Ukraine is finally becoming a reality.

The agreement set a US$ 175 million maximum credit line, based on a special insurance program with 18-month repayment terms. The credit is given under state guarantees and designed to cover agricultural goods. The U.S. goods suppliers must comply with USAID requirements and goods must be delivered to Ukraine before December 15. The charge for the special insurance program is 4.75 percent of contract value.

Deputy Economics Minister Valentyn Poshyvaylo said the main target of this credit line was to bring assets and goods to agricultural producers. The program has two aims: a plant protection system and oil products provisions for villages.

Poshyvaylo said 14 organizations already applied for credits from US$ 5 million to US$ 30 million. The main condition is repayment by organizations themselves without state assistance. Groups taking the credits are also responsible for interest payments, Poshyvaylo said.

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Terms of the program foresee using the goods through 1997, Poshyvaiyo said. "Then we will have time to protect winter crops."

The program also envisions involvement of Ukrainian enterprises, especially chemical firms, to finish and package pesticides.

"It is the first international credit that was openly discussed," said Deputy Finance Minister Borys Sobolev.

It aims to increase agricultural labor productivity and financial return of funds, he said. A legal infrastructure of return has been created, Sobolev said.

Between 1992 and 1995, we invested US$ 900 million in agriculture without any return — our industry and people paid for it, he said.

National Affairs

Kuchma Stresses Need To Develop Stock Market

AU0808073195 Kiev HOLOS UKRAYINY in Ukrainian 4 Aug 95 p 1

[Unattributed report: "We Need Hard Currency"]

[FBIS Translated Text] "We need hard currency that people would trust. That is why I reiterate that by October monetary reform will be accomplished in our country."

This was stated by President Leonid Kuchma on 2 August during a visit to the Ukrainian Stock Exchange. To accomplish the monetary reform the necessary conditions already exist, including a more or less normal economic situation. The president familiarized himself with the operation of the exchange and was present during the auction.

"Success in carrying out economic reform largely depends on the course of privatization and also on the stock market, the situation which reflects the Ukrainian Stock Exchange," said Valeriy Lytvytskyy, presidential aide for economic issues, to a UKRINFORM correspondent. Leonid Kuchma participated in a conference on topical problems in forming the stock market, without which it is impossible to implement privatization plans at medium and large enterprises. It was pointed out that the Stock Exchange, whose potential is very high, must be allowed to work at full capacity. Meanwhile, mainly Ukrrichflot [Ukrainian River Fleet] and the "Ukrayina" Bank shares are quoted there.

The Ukrainian Stock Exchange must be a national stock exchange, the Ukrainian president pointed out in a conversation with journalists. That is why the state must take it under his patronage and promote the resolution of those problems that are associated with the development of the country's stock market.

Nationalist Leader Warns of Future 'Police State'

AU0808084395 Kiev MOLOD UKRAYINY in Ukrainian 3 Aug 95 p 1

[Interview with Yuriy Tyma, Ukrainian UNA-UNSO assembly deputy and member of the Commission for Human Rights, Interethnic Relations, and Nationalities, by Yuriy Doroshenko; place and date not given: "The UNA-UNSO Position Is Like in the Saying: 'The Braying of an Ass Does Not Reach Heaven!'"]

[FBIS Translated Text] **The death of Volodymyr, the Most Holy Patriarch of all Russia and Ukraine, and the events of "Black Tuesday" [18 July] that were associated with his burial will go down in Ukraine's modern history as a time when our people had an excellent opportunity to see the true and not the masked face of their rulers. Those present at St. Sophia's Cathedral could feel all of that themselves.**

This period will also go down in history as a time of accusations and, occasionally, also of slander, particularly against the leadership of the Ukrainian Nationalist Assembly [UNA] and the Ukrainian People's Self-Defense [UNSO] for their part in the events that are supposed to have led to the tragedy. Public interest in these structures has surged again. Our correspondent turned to Yuriy Tyma, a Supreme Council deputy — he calls himself "agent" — representing the UNA-UNSO and a member of the Commission for Human Rights, Interethnic Relations, and Nationalities, to explain his position.

[Tyma] Our opinion on all of this slander is reflected in the saying: "The braying of an ass does not reach heaven!"

What was the 18 July to us? Simply, on that "Black Tuesday," the burial of Kiev Patriarch Volodymyr coincided with events connected with regular UNA-UNSO activity. On that day, the authorities unleased "Berkut" [special-purpose] units against unarmed people. This finally convinced everybody that the UNA is an organization of a solidarity type and an organization of people who strive to do good to their state and not just strive, but also actually take part in building it.

Events have confirmed that the leadership of the Ukrainian state is closely affiliated with the Russian state, is guided by its interests, and fulfills its commands. For this, it is no longer necessary to get through to Moscow. It is sufficient to hear the "advice" of agents in the government, the presidential administration, the Supreme Council, the police, and the Moscow Patriarchate Church. One should not try and look for anything new in the bloody action or for those who directly issued the orders.

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The intrigues that are being made in state and public structures are easy to explain: Today, there actually exist two parties in Ukraine: Ukrainian and anti-Ukrainian. One has to proceed from this instead of looking for a black cat in a darkened room.

[Doroshenko] Mr. Yuriy, at the beginning, you mentioned the regular activity of the UNA-UNSO. What activities do you plan for the near future?

[Tyma] We do not plan activities. They are a part of our life. First of all, we are continuing to carry out training — our basic work. People have started showing an interest in such activity and young people who would also like to join our organization are coming to us.

In addition, an economic program of the Ukrainian Nationalist Assembly is ready. With it, we will participate in the new elections. Clearly, they are not far away, for "Black Tuesday" has shown that radical changes must soon take place in Ukraine's political arena and its leadership.

We do not look toward a Western, Eastern, capitalist, or socialist model. Our economic system must be, first and foremost, Ukrainian. Here, copying will not lead to anything good. An atmosphere of solidarity must be created among Ukrainian national businessmen, so that they will compete among themselves.

[Doroshenko] It is already a year since you became a Supreme Council deputy.

[Tyma] The main thing is that I have understood how we should not work. What has been done in a year could, in normal conditions, be done in a few weeks. I mean the passing of laws or decisions. During its existence, the Supreme Council has had no influence upon the state's political life and has turned out to be amorphous and absolutely dull.

If, for example, there is some solidarity in the government or in the presidential administration, they may realize that they may go and lose their seats. I am saying "some" because there also are intrigues there. This started back in times of Kravchuk, when his administration simply betrayed him and backed the present president. These intrigues are still going on....

[Doroshenko] You have used the notions "solidarity" and of "a solidarity type." If it is not a secret, will UNA unite or at least form alliances with other parties or movements at the coming elections?

[Tyma] After 18 July, there was an occasion to bring Ukraine to a new level of development. Without bloodshed. For that, solidarity of those parties of a national-democratic orientation was the only thing necessary. Time has been wasted. Nothing has happened and I doubt if we will be able to unite with those parties that may betray the cause at a crucial moment. The UNA is only ready to unite with active forces, but it seems to me that they are simply unavailable.

[Doroshenko] To finish our conversation, I would like to hear your forecast of the development of political events in the immediate future.

[Tyma] In my opinion, a certain alienation, even split between the presidential administration and the government may occur in the very near future. Growing tension may lead to excesses, which certain forces will want to take advantage of by regarding them as criminal activity so as to turn Ukraine into a police state. The task of the UNA-UNSO is to prevent this from happening. Not to allow Ukraine to become an appendage of Russia or other interested countries. What levers are there to influence the situation? The main thing is to see to it that the people do not want this to happen and we — the UNA-UNSO — must do everything to make the people not want this to happen.

Lvov Communists Appeal to EC Over Human Rights Violations

WS0708143895 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 2 Aug 95 p 3

[Report by Serhiy Karnaukhov: "Communists From Lvov Seek Protection in the European Council"]

[FBIS Translated Text] As Oleksandr Holub, first secretary of the Lvov Oblast Committee of the Ukrainian Communist Party [KPU], reported to our correspondent, his organization had contacted all the KPU oblast committees with a request to collect all facts of human rights violations, so to speak, on the spot. It has become known that after the facts are systemized, all collected information will be forwarded to the European Council [EC] through international socialist organizations.

If this takes place, it is easy to imagine how the Council will greet Ukraine, which is striving to join it. Nevertheless, Oleaksandr Holub absolutely denies that this action is aimed at foiling the admittance of our country to the EC. Communists just want to put international pressure on the Ukrainian leadership in order to solve a number of problems. They are firmly convinced that the Ukrainian state cannot guarantee its citizens a complete observance of all rights and freedoms, even those that are envisaged by the current legislation. The list of complaints is pretty impressive:

— Difficulties with receiving education in one's native language;
— dismissals from work for political or national motives;

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— the authorities' arbitrariness toward political parties and organizations that are held in disfavor (for instance, the authorities do not register socialist parties, communist parties, the Civic Congress, and the like in the western regions of Ukraine).

The appeal also condemns the activities of openly fascist and profascist organizations on Ukrainian territory which promote superiority of one nation over another in their media, and so on.

Naturally, if one pursues the goal of finding piles of discrediting materials, one can easily do that, and not only in our country. But is it worth to expose one's "dirty linen" for general review? Is it not easier to sort things out in one's home? After all, when a house is on fire, a mere cry will not help — the fire has to be put out. It is a shame that "collected and systemized facts of human rights violation in Ukraine" will be presented as a general picture, and not as episodic events occurring from time to time (also in civilized Western countries.) But will this be understood in the EC?

Official Thanks Turks For Helping Crimean Tatars

AU0808072695 Kiev URYADOVYY KURYER in Ukrainian 3 Aug 95 p 2

[Report by Ukraine's Cabinet of Ministers Press Service: "Reception of the Turkish Delegation"]

[FBIS Translated Text] Ivan Kuras, Ukraine's deputy prime minister for humanitarian policy issues, received a delegation of the Turkish International Cooperation Agency led by Umut Arik, its chairman and Turkish deputy foreign minister. During the meeting, a wide range of issues associated with Ukrainian-Turkish cooperation, primarily in the humanitarian sphere, was discussed. On behalf of the Ukrainian Government, Ivan Kuras expressed sincere appreciation for the Turkish side's striving to maintain and develop good- neighborly relations with Ukraine and, in particular, thanked for its real assistance in settling the Crimean Tatars, who are returning to their homeland.

The meeting was also attended by Acar Germen, Turkish ambassador to Ukraine; Lada Pavlykovska, chairman of the Agency for the Coordination of International Technological Assistance; representatives of the Crimean Tatar Majlis; and high-ranking officials of the apparatus.

Official: 'Mass Return of Crimean Tatars Impossible'

AU0808072395 Kiev URYADOVYY KURYER in Ukrainian 3 Aug 95 p 2

[URYADOVYY KURYER report: "A Briefing at the Presidential Administration"]

[FBIS Translated Text] Yesterday, Ukrainian presidential press secretary Mykhaylo Doroshenko held a briefing at the Presidential Administration.

In a conversation with journalists, he emphasized, in particular, that, when appointing chairmen of oblast councils as heads of state administrations, President L. Kuchma had to act in line with the provisions of the Constitutional Accord. However, this does not imply that there was no criticism of those officials' activity. The president reserves the right to take administrative measures if a particular leader does not work up to his post. There were quite a number of admonitions for P. Kupin, chairman of the Luhansk Oblast Council, who sometimes confuses state activity with party activity. However, the main thing is that, despite the oblast's high industrial potential, deterioration has been allowed to take place even on those issues that have already been resolved elsewhere in Ukraine. For example, while having an oil refinery, Luhansk is unable to ensure normal provision fuel for oblast consumers. Work of some other oblast leaders was also assessed as not quite satisfactory. Therefore, the press secretary made it understood that there will be policy changes regarding personnel appointments.

Regarding the problem of deported Crimean Tatars, M. Doroshenko said that the Ukrainian state must not assume responsibility for the actions of the former totalitarian regime. It is impossible today to guarantee a mass return of Tatars to the Crimea and their settlement there, not even with the considerable budgetary funds that have already been invested in the program. The state will continue granting assistance to specific families that need it acutely.

Presidential Press Secretary M. Doroshenko also said that the situation around the Ukrainian peacekeepers in Bosnia has stabilized. Our soldiers continue to fulfill their mission. The company in the Zepa enclave is preparing for replacements and will be withdrawn to Sarajevo. The company stationed in Gorazde is provided with food by the British "blue berets." The Ukrainian servicemen have suffered no losses, and the UN forces' command in Bosnia invariably gives them a high assessment.

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Envoy Assures Ukrainian Community of Support

AU0808072095 Kiev HOLOS UKRAYINY in Ukrainian 4 Aug 95 p 4

[Unattributed report: "Even the War Has Not Separated Them" — first paragraph is HOLOS UKRAYINY introduction]

[FBIS Translated Text] Anatoliy Shostak, Ukrainian ambassador to the Croatian Republic, made his first official trip to the Croatian oblast of Slavonia, where he visited the towns of Osijek, Vinkovci, and Slavonski Brod. The editorial board learned of this from the Ukrainian Embassy in the Croatian Republic.

During the meetings and talks, possibilities of renewing and developing economic ties between Ukraine and the Croatian Republic were stressed.

The Ukrainian ambassador also visited cultural and educational institutions of the Croatian Ukrainian-Ruthenian community, which has constituted Slavonia's dense population for more than 200 years.

Unfortunately, when the conflict started on Croatian Republic territory, many Ukrainians became victims of the Serbian aggression: Almost 200 Ukrainian families have been exterminated and more than 1,200 persons evicted from their homes.

At present, Ukrainian refugees together with Croats, Serbs, and Czechs are accommodated in a special town near Vincovci, where Croatian authorities have created for them maximum possible conditions for normal existence. All of them are concerned about the fate of their relatives, who remain on occupied territory, and hope to be able to return home.

Despite the difficult times, the Croatian Ukrainians and Ruthenians make great efforts to restore their national traditions. The Slavonski Brod-95 Ruthenian-Ukrainian Culture Days have just been held despite the hardships. A summer school is operating, and children from all over Croatia and refugees from Ukrainian families study the Ukrainian language there. It has already become a tradition to cooperate with Ukraine's cultural and educational organizations. As admitted by Croatian authorities, Ukrainian cultural figures are, in fact, the first foreign delegations that have arrived to help their brethren despite the danger involved in staying in the vicinity of the disengagement line.

In conversations with representatives of the Ukrainian-Ruthenian community, the Ukrainian ambassador assured them that Ukraine has always cared and will care about the fate of the Ukrainian minority in former Yugoslavia.

Article Views Activities of Mercenaries

AU0808081895 Kiev MOLOD UKRAYINY in Ukrainian 3 Aug 95 p 1

[Report by Volodymyr Oliynyk: "'Wild Geese' Are Flying to the South and West"]

[FBIS Translated Text] These well-trained armed people, clad in military uniforms, are referred to in different ways in different countries: "Wild geese," "dogs of war," or "soldiers of fortune." They are mercenaries, and warfare is their profession. They are paid for their ability to kill, to use advanced weapons, and to conduct combat actions.

Ukrainian mercenaries are fighting in the "hot spots" of Europe and the Caucasus Region — this is confirmed by materials at the disposal of the Kiev Procurator's Office.

In April 1994, four persons who recruited young people for the war in Azerbaijan were arrested and, in December of the same year, convicted. That group included one citizen of Azerbaijan — Verdiyev — and three Kievans — Rudenko, Petryk, and Stotskyy. From March through May 1994, the group recruited 19 young people from Kiev Oblast.

In November 1994, law-enforcement bodies arrested the group of Fidel Komar that, from 1993 to the beginning of 1994, had recruited 156 persons to take part in combat actions in Azerbaijan. All the mercenaries are healthy young men aged between 20 and 30 — under the cover of "organizing building work," they traveled, at the expense of the Azerbaijani side, to the zone of the Azeri-Armenian conflict for at least two months and were paid $500 a month. The contract envisaged separate rewards "for distinguished combat service" (capture of enemy military hardware, taking enemy officers prisoner, and so on). If the mercenary is wounded or killed, his family or relatives are to get monetary compensation. The recruiter was paid $80 for every mercenary whose services he managed to enlist.

According to General Vilen Martyrosyan, chairman of the State Committee for Social Protection of Servicemen, the majority of Ukrainian mercenaries who took part in combat actions in Azerbaijan (more specifically, on the territory of Nagorno-Karabakh and adjacent border zone) are professional servicemen — young officers, mainly members of airborne assault forces or pilots who are forced to look for ways to earn money because of the material and financial hardships in their everyday life. "The officers' salary does not exceed $20 a month, and for them $500 is like 'divine manna.'" "Officers have to wait for a long time after they are put on the waiting list for housing, whereas following six months of 'work' as

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mercenaries, they are able to buy a one-room apartment on the outskirts of Kiev or not far from the center in a Ukrainian province," says Gen. Martyrosyan.

His deputy, Colonel Vitaliy Chechylo, told an interesting story of his May 1995 trip to Galicia. He had an opportunity to visit a military training center run by the radical right-wing organization Ukrainian People's Self-Defense [UNSO]. There, former landing-force officers and veterans of the Afghanistan war conduct annual special military exercises and training for UNSO members, who are taught how to use modern weapons (Russian Kalashnikov assault rifles, Israeli "Uzi's," light machineguns, and grenade launchers); they are also drilled on rules for conducting warfare in wooded areas, in open localities, and in populated areas. They are instructed on methods for conducting "terrorist warfare" — preparation and use of land mines and explosives, the capture of enemy military hardware and of hostages....

The UNSO organization was created in 1990, and since that time, its members have been conducting regular military training in the Carpathians. They acquire practical experience in areas of armed conflicts.

The years 1992-93. UNSO combatants fight in the Dniester Region. The Ukrainian officialdom pretended that "our citizens are not involved in the Dniester military conflict."

The years 1992-93. A special military formation of UNSO takes part in combat actions in Abkhazia. Ukrainian right-wing nationalists fight side by side with the well-known Georgian "Mkhedrioni" [Horsemen] brigade (adherents of Zviad Gamsakhurdia — Georgian ex-president). In Abkhazia, UNSO lost at least 10 of its members — this is according to Oleh Kubakh, UNSO press secretary. Some of the casualties were buried with honor and military mourning ceremonies in Abkhazian land and some were brought to Kiev within zinc coffins. At the airport, they were met by UNSO leaders and... representatives of the Ukrainian Defense Ministry. The burial services for those Ukrainians, who had perished in Abkhazia, were read in St. Volodymyr Cathedral in Kiev, and the young men were buried as national heroes in Galicia.

Early 1993. The Croatian radical press carries a series of reports on "Ukrainian volunteers" who take part in combat actions against Serbia. The present author interviewed a Ukrainian fighter — he was one of the UNSO officers who, with a platoon of UNSO soldiers, had taken part in the conflict in former Yugoslavia. The UNSO combatants explained to Croatian journalists that their participation in the battles was on a purely voluntary basis: "We are fighting against Serbian chauvinism for the independence of former Yugoslav republics." Of course, the ideological aspect played a significant role in this case: Serbia is not infrequently compared to Russia, and Russia is "enemy number one" — the imperialist conqueror — for Ukrainian national radicals. Well, it must be admitted that the Russian leadership's recent actions do not only worry nationalist patriots: Russian leaders either propose their own way of resolving the Yugoslav conflict by putting themselves in opposition to the world community, or else, they advance new "peaceful initiatives" that amount to "setting Russian military bases on the territory of CIS countries" — at least, such a proposal sounded on 6 July 1995 in the speech of Russian Foreign Minister Andrey Kozyrev before members of the Russian State Duma Federation Council.

In December 1994, a military conflict started between Russia and Chechnya. Again, in accordance with official data, "Ukrainian citizens do not take part" in the Russian-Chechen conflict. In reality, however, according to Colonel Vitaliy Chechylo, immediately after the Russian troops entered the territory of Chechnya, the UNSO leadership held an expanded conference, and it was decided there to send a group of UNSO fighters to the conflict zone. Of course, their main task was and, in all likelihood, still remains, participation in combat actions on the Chechen side.

One of the UNSO leaders, former political prisoner Anatoliy Lupynis, became a messenger between Kiev and Groznyy. In Groznyy, he met with Chechen President Dzhokhar Dudayev, and the latter expressed his gratitude to Ukrainian nationalists for the "support they were giving to the movement of the Chechen people." The support consisted in the participation of two UNSO battalions — "Kavkaz" [the Caucasus] and "Prometey" [Prometheus] in the warfare on the territory of that North Caucasian republic. At the beginning of June 1995, Anatoliy Lupynis took out of Chechnya 40 wounded UNSO combatants, but Lupynis himself was arrested by the Russian Federal Security Service and sent to a filtration camp near Makhachkala (Dagestan). Anatoliy Lupynis was released owing to the efforts by the UNSO leadership and Ukraine's people's deputy Oleh Vitovych — a representative of Ukrainian radical right-wing forces.

Meanwhile, the war in the Caucasus continues. Ukrainian mercenaries continue fighting shoulder to shoulder with the Chechens, mastering specific features of conducting warfare in the mountains, and familiarizing themselves with methods of guerrilla and terrorist war. It is not known how many of the UNSO fighters have perished in Chechnya....

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National Guard, Militia Hold Joint Tactical Exercises

LD0708214495 Moscow INTERFAX in English 1752 GMT 7 Aug 95

[FBIS Transcribed Text] Kiev, August 7 (INTERFAX-UKRAINE) — Joint special tactical exercises were held at the National Guards' training center, Kiev region, for National Guards and militia officers.

The National Guards trained together with their colleagues from the Berkut (Golden Eagle) detachment (special task force of the Interior Ministry — IF-U note) joint actions against illegal armed formations, who sought, according to exercises scenario, to "seize a suburb of the capital."

During the exercises, the national Guards and militia officers demonstrated good training standards and combat capacity, our correspondent was told at the National Guards' press service.

Military-Industrial Official: Reforms Will Continue

LD0708213495 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 7 Aug 95

[FBIS Translated Text] Valeriy Malov, the new minister of machine-building, military-industrial complex, and conversion, was introduced to the ministry's senior staff on 7 August. He became the fourth minister in independent Ukraine to take charge of the country's military-industrial office. Introducing the new minister, Deputy Prime Minister for Industrial Policy Anatoliy, Kinakh described him as an efficient specialist with management experience at industrial enterprises. Prior to his new appointment, Malov was deputy head of Zaporozhye regional state administration in charge of industrial affairs.

The deputy prime minister emphasized the large scientific and technical potential of the military-industrial complex. There will be no purge in the ministry, he declared. The main and continuing requirement is ability to do the job.

Kinakh spoke highly of the previous minister, Anatoliy Petrov, saying that he had overseen the creation of the basis for the efficient management of the sector's assets. He added that the formation of joint stock companies of medium-sized and large enterprises should continue and private ownership should take hold. He assured Petrov that his abilities would be put to use and the Cabinet of Ministers would see to his new employment shortly.

In reply, Valeriy Malov said he intended to analyze the sector's problems in the next few days. There will be no break in the operation of the complex, and the good initiatives of its previous management will be carried on, he said. Malov expressed the view that the ministry should maintain a creative atmosphere.

Emergency Shutdown of Khmelnitsk Nuclear Power Station

LD0808061495 Moscow ITAR-TASS in English 0531 GMT 8 Aug 95

[By Vladimir Shevchenko]

[FBIS Transcribed Text] NETESHIN, Khmelnitskaya Oblast, August 8 (ITAR-TASS) — The first power unit of the Khmelnitsk nuclear power station was shut down in an emergency on Monday [7 August].

The information centre of the nuclear power station told Ukrinform news agency that the shutdown had been triggered off by the failure of level sensors in Steam Generator 1. The safety system was activated and shut down the unit. Specialists are now clearing up what caused the sensor failure.

The established limits of safe operation were not transcended. The radiation background in the premises and in the 30-kilometre zone around the station has remained unchanged.

Economic Issues

World Bank Loan To Establish Export Guarantee Fund

LD0708193595 Moscow INTERFAX in English 1752 GMT 7 Aug 95

[FBIS Transcribed Text] Kiev, Aug 7 (INTERFAX-UKRAINE) — The World Bank will grant Ukraine a $170 million loan for creating an export guarantee fund.

The World Bank's board of directors is expected to consider the relevant project in November-December of this year. The project is to get under way in spring 1996.

A representative of the Ukrainian Finance Ministry, Viktor Voronenko, told Interfax-Ukraine that the project is aimed at providing comprehensive support for agriculture and at supplying it with technical and financial resources by creating an export guarantee fund against political and other kinds of risks.

Under the project, the fund is to be run by the cabinet of ministers which must create a special group for selling insurance certificates. Ukrainian and Western companies supplying Ukraine's agriculture with technical and other resources may buy the insurance certificates in the form of a credit against goods for a term of up to three years.

The World Bank in Ukraine annually implements about 800 projects at up to $800 million.

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Voronenko said about $350 million out of the $500 million credit Ukraine received in December 1994 for vital imports, had already been spent.

Cabinet Introduces Amendments to Antimonopoly Law

WS0808083795 Kiev UKRINFORM in English 0715 GMT 8 Aug 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As reported by UKRINFORM's finance correspondent, the Ukrainian Cabinet of Ministers has introduced amendments to the Ukrainian law "On Curbing Monopoly and Unfair Competition."

This is the third time the law is being amended since it was adopted on February 18, 1992. Under the new amendments, the regulations prohibiting misuse of a legal entity's monopoly on the market was complemented with new regulations prohibiting monopolists from establishing prices which are too high or too low on commodities, if such actions are aimed at gaining an advantage over rival firms.

Under the new amendments, government entities who force businessmen to join associations, concerns, regional and other unions of enterprises will be penalized.

Unfair competition offenses such as unlawful use of other firms' attributes, reproduction of other manufacturers' products, deliberate dissemination of false information with the aim of eliminating competition now include ordering, making, disseminating or placement of advertisements which do not comply with the active legislation and which may cause damage to individuals or state-owned institutions and organizations are punishable under the new amendments.

Some significant amendments were also made to the clauses on penalties. Penalties are to be imposed by the Antimonopoly Committee on businessmen who are legal persons for abuse of their monopolistic position on the market, unlawful deals, as well as for refusal to comply or untimely compliance with the Antimonopoly Committee's decisions.

Problems, Situation in Aviation Industry Viewed

WS0708142095 Kiev VECHIRNIY KYYIV in Ukrainian 3 Aug 95 p 1

[Article by Natalka Prudka: "Ukraine's Cut Wings"]

[FBIS Translated Text] The Ukrainian Government has in practice fully suspended financing the state program for the development of the aviation industry in Ukraine, which was approved by a presidential edict in 1992. As early as 1994, the financing of this program dropped to 8 percent of the necessary volume. The number of employees working in this sector has been reduced by 25 percent, and wages are lowest among machine-building industries. Experienced aircraft designers believe that Ukraine's aviation complex is on the brink of collapse.

For these reasons, the "Antonov" Aviation Scientific-Engineering Corporation has fully suspended the designing of the AN-180 and the AN-218 aircraft, the production of which had been planned to replace the obsolete TU-134, TU-154, and YAK-42 aircraft.

At the expense of curtailing social programs, the aircraft designers continue to construct the second experimental model of the AN-70 military transport aircraft and are planning to conduct the first flight at the beginning of 1996. Western, Asian, and Pacific states are very interested in the new Ukrainian design of the AN-70 aircraft, in which one can transport all kinds of arms, including arms produced by the NATO member-states. However, so far there have been no proposals for joint production.

The Kharkov-based aircraft-building plant will launch the serial production of the new AN-140 aircraft for local airlines in the immediate future. The Kiev-based "Antonov" Aviation Scientific-Engineering Corporation is the creator of the AN-140 design. The aircraft designers have carried out tests in aerodynamic tubes, and the results of the tests confirm the basic design data.

The aviation fleets of more than the 20 states in the world, including CIS states, are equipped with AN-24 passenger aircraft which were constructed at the Kiev-based aircraft-building plant four years ago. All in all, around 1,200 such aircraft were built. Currently, 750 of the AN-24 aircraft are being exploited and their operational lives have already been exhausted. Most of the airlines are currently facing the problem of replacement.

Currently, the "Antonov" Aviation Scientific-Engineering Corporation has received orders for the AN-140 aircraft from 23 CIS airlines, which would like to purchase 150 aircraft during 1996-1997.

An aircraft is being constructed in accordance with international requirements. At the purchaser's request, the aircraft can be equipped with engines produced by the U.S. "Pratt & Whitney" company. The price of a foreign analog amounts to $15 billion.

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Antonov Company Lacks Funds for Test Flights Abroad

WS0808075895 Lvov INFOBANK in English 0710 GMT 8 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] At the International Moscow Aviation Fair to be held August 22-27 Ukraine will demonstrate its AN-38, AN- 74-TD, AN-74-TK, and AN-32-B aircraft, all of which are already in production, as well as new models and plans drawn up by Ukraine's aircraft designers. This information was provided to INFOBANK by the deputy general designer of the Antonov Aviation Research and Technology Complex, Viktor Bolhak. In his words more than 1,000 firms have applied to take part in the aviation fair. Ukraine's AN- 38 and AN-74 models will perform demonstration flights in Moscow. The Antonov Complex is already prepared to sell these aircraft on the world market. According to Mr. Bolhak, it has received many proposals from various countries in Latin America, Asia, and the Near East to demonstrate the Ukrainian planes in test flights, but in most cases his company lacks the funds needed to transport them to these locations.

Measures Taken To Prevent Outflow of Grain to Russia

LD0708141695 Kiev UNIAR in Ukrainian 1150 GMT 7 Aug 95

[FBIS Translated Text] Kiev [no date as received] — The price of one tonne of grain in Ukraine exceeded 16 million karbovantsy in the latest trading at an exchange on 4 August. For comparison: one tonne of grain in Moldova costs 14 million [karbovantsy], in Belarus — 18 million [karbovantsy], and in Russia — 21.5 million [karbovantsy]. "In order to prevent an outflow of our grain to Russia, we must protect our domestic market," Petr Sablyuk, Ukraine's deputy prime minister for the agro-industrial complex believes.

He instructed grain elevators and the Ministry of Agriculture to store the grain. Meanwhile, the state will act as a contractor — this will make it possible not to raise charges for grain storage.

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Belarus

Turkish Foreign Minister Inonu Arrives for Talks

LD0708141895 Moscow INTERFAX in English 1227 GMT 7 Aug 95

[FBIS Transcribed Text] MINSK, Aug 7 (INTERFAX-WEST) — Turkish Foreign Minister Erdal Inonu has arrived in Minsk for talks with his Belarusian counterpart Vladimir Senko. He is also due to meet President Alyaksandr Lukashenka, Prime Minister Mikhail Chyhir and the country's leading nuclear physicist Vladimir Baryshevskiy.

The two sides are expected to sign a range of agreements including investment protection, road and air links and cooperation in the areas of science, culture and sports, Inonu said on arrival in Minsk Monday. They are also to initial an outline political agreement.

The minister described as good the current state of Ankara-Minsk relations. "As for the past, let bygones be bygones," he added.

Ankara suspended all scheduled official visits and discussion of a $100 million loan to Belarus following the expulsion of two Turkish diplomats last fall.

Inonu Praises Minsk-Ankara Relations

LD0708190395 Moscow INTERFAX in English 1608 GMT 7 Aug 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Minsk, Aug 7 (INTERFAX-WEST) — Belarus and Turkey plan to sign a series of agreements during Turkish Foreign Minister Erdal Inonu's visit to Minsk.

The sides are expected to sign agreements on mutual protection of investments, on road and aerial communication, on cooperation in the spheres of education, science, culture and sport. They also plan to initial the treaty on friendship and cooperation, Inonu said Monday [7 August] upon his arrival in Minsk.

During the official visit Turkish foreign minister will meet with Belarussian President Alyaksandr Lukashenka and will hold talks with Prime Minister Mikhail Chyhir and Foreign Minister Vladimir Senko. He is also expected to meet with Vladimir Baryshevskiy, a leading Belarussian nuclear physicist.

Inonu characterized the present state of Belarussian-Turkish relations as quite good. "We should not look back at what was in the past," he said.

Belarussian Foreign Ministry declared two Turkish Embassy officials personae non gratae in autumn of 1994, having accused them of activities incompatible with diplomatic functions. In retaliation, Turkish leaders "froze" contacts with Belarus officials and suspended the granting of a $100 million loan to Belarus.

Chyhir Meets Turkish Foreign Minister

WS0808093395 Minsk Radio Minsk Network in Belarusian 0700 GMT 8 Aug 95

[FBIS Translated Text] In the second half of the day on 7 August, Belarusian Prime Minister Mikhail Chyhir received Turkish Foreign Minister Erdal Inonu, who had arrived in Belarus on an official visit. At the meeting, the head of the Belarusian Government pointed out that Belarus is interested in expanding cooperation with Turkey, which is currently experiencing an economic upsurge. According to Chyhir, there are good examples of the two states' cooperation in the construction industry and trade. At the same time, the Belarusian Government head believes that it is time the states strengthened this kind of cooperation and moved toward establishing joint Belarusian-Turkish enterprises and investing in the economy. The Belarusian Government is going to make all the necessary efforts toward this end, the head of government pointed out.

During the conversation with Mikhail Chyhir, Turkish Foreign Minister Erdal Inonu also underscored the necessity to expand cooperation between the two states. He emphasized that the Turkish side would do everything possible to improve these relations.

Russia's Gazprom Signs Cooperation Accord

LD0808105395 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] MINSK, August 8 (PIA-INTERFAX) — Belarusian President Alyaksandr Lukashenka, representatives of the Belarusian Government and of the state-owned Beltransgaz company have discussed with Ram Vyakhirev, chairman of Russia's joint-stock company Gazprom, how Belarus is to repay its debt for Russian gas and how much fuel it will require next year.

In addition, Gazprom reported to Interfax on Tuesday, they considered the technical and economic feasibility of laying the first stretch of the 209 kilometer Yamal-Western Europe pipeline from the town of Nesvizh (Minsk region) to the border with Poland.

At the end of the talks, Gazprom and Belarusian officials signed an agreement. Significantly, the Yamal-Western Europe gas project came up for talks right after the

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announcement that Gazprom had received a DM 1.3 billion from a consortium of foreign banks.

As a Belarusian government source has told INTERFAX, the country intends to pay its debt for Russian gas, totalling $420 million, in part by supplying Gazprom with tractors, trucks, cars, refrigerators, TV sets, and other consumer goods.

Gazprom also voiced readiness to fund the construction of a thermal electric station in Minsk, TETS-5, to which it would supply gas in the long run.

In line with the accords reached in Minsk, work will be started on a two line section of the gas pipeline from Nesvizh to the Polish-Belarusian border in the fourth quarter of 1995 and is to be completed in the first quarter of 1997.

Conflict on Halting Missiles Removal Examined

WS0808104995 Minsk BELARUSSKAYA DELOVAYA GAZETA in Russian 3 Aug 95 p 3

[Article by Yuriy Drakakhrust, "Conflict by Consent"]

[FBIS Translated Text] "Belarus refuses to remove remaining Russian strategic weapons from its territory," Russian IZVESTIA reported this sensational piece of news at the beginning of June. This concerns two regiments of Russian strategic forces, deployed in Lida and Mozyr. Every regiment is armed with nine "Topol" PC-15M missiles, listed as SS-25 in Western terminology. The fact that the withdrawal of these units has been suspended has been confirmed by numerous sources. The reasons for such a decision, however, is the most interesting part.

Last week, General Sergeyev, commanding officer of Russian Strategic Rocket Forces, announced on NTV Television that Belarus, indeed, had not issued pass permits for arms removal since July. The general explained that the Belarusian side expressed dissatisfaction with the withdrawal of the Russian troops who were leaving military settlements and training grounds in an inappropriate condition.

I asked Belarusian Deputy Foreign Minister Andrey Sannikov, who supervises security and disarmament issues, to comment on the situation. He confirmed the information provided by the Russian general and said that the current problems were of a technical nature and were being solved by a joint commission. The deputy minister deemed as biased the Russian media's commentaries, which accuse Belarus of attempts to bargain and follow the Ukrainian path. Mr. Sannikov called this interpretation totally groundless.

Referring to the juridical grounds for Russian strategic arms withdrawal, he announced that another pass permit for rockets' removal was signed in July. Andrey Sannikov said that the rockets have to leave Belarus within a seven-year period, according to the Lisbon Protocol. However, in his words, the countdown has to start from the registration date, that is from December 1994. In this way, to speak formally, Belarus has spare time till the year 2001. A corresponding Belarusian-Russian agreement, however, has determined more tight deadlines. Till recently, officials were announcing that this was a matter of 1996. Mr. Sannikov remarked in his interview for Radio Liberty that this deadline may be amended.

These are the official explanations. Some other official commentaries, however, show the other side of the problem. A Russian diplomat accredited in Minsk, asking not to mention his name, told me that the suspension of the missiles' withdrawal had been agreed upon between Presidents Yeltsin and Lukashenka. The reason lies in the lack of funds necessary for withdrawing arms and accommodating the redeployed servicemen.

Given that the version of the Russian diplomat is correct, then it appears that the conflict has developed by complete consent of the two parties. In addition, the phrase "in connection with financial difficulties" gives food for thought.

Last February, President Lukashenka announced that Belarus was going to discontinue "the scrapping of tanks," that is, it would not meet its obligations undertaken under the Treaty on Conventional Arms. The official reason was — financial difficulties. True, the threat of NATO expansion was casually mentioned. It is not to say that NATO expansion was directly used as the reason for the cessation of the scrapping of tanks, but the hints were rather transparent. Now, there are financial difficulties with the pullout of nuclear weapons.

Russian Media Accused of Waging War Against Lukashenka

LD0708202395 Moscow INTERFAX in English 1751 GMT 7 Aug 95

[FBIS Transcribed Text] Minsk, Aug 7 (INTERFAX-WEST) — The Russian media are engaged in information warfare against popularly elected President Alyaksandr Lukashenka of Belarus, Vladimir Zametalin, deputy chief of staff and head of the information department in the presidential headquarters, told INTERFAX Monday [7 August].

In his words, numerous Moscow and St. Petersburg newspapers are campaigning against Lukashenka and his policies and the internal political, social and economic situation in Belarus is misreported.

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Zametalin said that he had sent a letter to Gennadiy Seleznyov, deputy chairman of the Russian State Duma, asking him to take steps to put an end to this campaign.

According to Zametalin, Belarussian officials are convinced that such reports are initiated in Russia "by quite certain quarters opposed to integration in the CIS."

"These reports are political actions, pure and simple. If the appropriate state bodies in Russia are indifferent in the face of such political activities, the government will have to consider withdrawing from contracts on sales of certain periodicals in Belarus," Zametalin said.

Foreign Ministry Protests Czech Official's Comment

WS0708134195 Minsk BTK Television Network in Belarusian 1800 GMT 5 Aug 95

[Announcer-read report]

[FBIS Translated Text] On behalf of the Belarusian Government, the Foreign Ministry of the Republic of Belarus has lodged a protest with its Czech counterpart in connection with a statement by the Czech first deputy foreign minister regarding the Republic of Belarus. (Aleksander Vonda), in an interview to (RESPEKT) weekly, stated literally the following:

Belarus has already failed to become a state. From the very beginning, the Belarusians had no chance to protect their status, which would allow them to create their state. This task would require two generations at least, since they have never had their own state before.

The Belarusian side considers this statement by the high-ranking Czech official as very harmful with respect to the traditional relations of friendship and cooperation between the two countries. The Belarusian Foreign Ministry expects in the near future to receive an explanation regarding the official position of the Czech side in connection with the above-mentioned statement.

Background to Lukashenka Ascendancy Viewed

MM0708163895 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Aug 95 p 4

[Article by Nikolay Yefimovich under the "Behind the Scenes" rubric: "Dear Old Lukashenka"]

[FBIS Translated Text] After the tragic death of Petr Masheraw in an automobile accident in 1980, Belarus has clearly been unlucky with its leaders. It has gone through them like pairs of gloves but they are all chips off the same party block.

The first person to get people talking was the university professor, Stanislaw Shushkevich, whom perestroyka placed in the position of chairman of the republic Supreme Soviet. He turned out to be one of the three Belovezhskaya Forest "aurochs" who signed the Soviet Union's death warrant. For which he paid.

Shushkevich was removed "by the efforts" of Alyaksandr Lukashenka, chairman of the Parliamentary Commission for Combating Corruption. It emerged that a brigade of the Council of Ministers Repair and Construction Administration had carried out repairs in the speaker's apartment. Evidently, he should have hired "moonlighters" off the street.

Very likely, people would have soon forgotten about him once he had done the deed. In political circles people did not take the absolutely irrepressible people's deputy Lukashenka very seriously. His colleagues regularly chased him off the podium, saying: Get back to your sovkhoz and hold your rallies there. The main crusaders against corruption were selected more or less whimsically. A "red" Belarusian parliament was not going to declare war on genuinely corrupt figures. It was simply that no other way was found to replace the intellectual speaker.

However, the former Army political officer had clearly been underestimated. His service in the border troops did not go to waste. Armed with compromising materials he had collected on the supreme authorities, Lukashenka put himself forward as a candidate for the presidential office. The people's candidate.

In general the post of president was introduced with a specific person in mind — the premier, Vyacheslaw Kebich. But one thing was not taken into account — the people love those who are offended by the authorities. Indeed, A. Lukashenka was besmirched in all possible ways in the eyes of the voters. They even "found" an airline stewardess with evidence that the future president was guilty of indecent behavior on board a flight to Beijing....

What else could the hapless Belarusian people do but elect the unbending crusader against corrupt power as their leader. All the more so as Lukashenka ardently promised get idle plants back to work, introduce a price freeze, and revive the union with Russia. He swore that he would deal with the mafia and share out everything fairly.

The juiciest element at the end of the election campaign was the mysterious attempt on Lukashenka's life near the rayon center — Liozna. A shot at the Mercedes in which Alyaksandr Hryhoryavich was traveling rang out from a car that had overtaken it. No one was injured but the news about the unidentified terrorists once more convinced the people that they should vote for their heroes.

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True, the Belarusian People's Front — who are longtime opponents of the president — claimed that the attack was staged. It is not surprising, they say, that the two people traveling with Alyaksandr Hryhoryavich in the vehicle have become the people who are closest to the president. Whether the attempt was staged or not, Security Council State Secretary Viktar Sheynis and Presidential Staff Business Manager Ivan Titenkaw have an enormous influence on Lukashenka. The president himself admitted once that the "chief of the supply section" reported to him on the situation in the republic. A former rayon party committee secretary, Titenkaw is being given more or less the leading role in putting Lukashenka on the throne. Or to be more accurate, in financing this. The deputy, Antonchyk, in his lamentably notorious report on corruption in Lukashenka's team, even indicated the source of this money: Titenkaw's commercial activities while he was chairman of one of the Chernobyl funds. What is more, the Mercedes, in which Lukashenka drove about the republic, also belonged to Ivan Ivanavich.

Once he became president, Lukashenka put his money on a group of young intellectuals who had "gotten around " him as a politician. Now all of them are in the opposition. The old man had turned out to be less manipulatable than he had made himself out to be at first. Staunch support for him came from the nomenklatura — which had proved itself in party battles, and retired military and KGB officers. Even when his former press secretary resigned, a man in uniform was appointed to replace him. Evidently, it is the dream of the Belarusian president/political officer to make the whole republic march in step like a military unit. All the leading republic newspapers' editors and the national television and radio company's leadership have been replaced. Surprisingly, Lukashenka quickly adopted those methods of the previous authorities which they had used to fight him. And he regards any criticism aimed at him more or less as a threat to the republic's security. One reader's letter to NARODNAYA HAZETA seemed to the president to be "seditious." Immediately, KGB troopers started searching for the author....

Alyaksandr Hryhoryavich has a particular sympathy for the special services. He candidly admits that he learned of the report by the deputy, Antonchyk, on corruption in the presidential staff with the help of "necessary" people before it was even read out in parliament. When Parliamentary Legislative Commission Chairman Dmitriy Bulakhaw met with me in his office, he did not rule out the possibility that we were being listened to. And when it comes to what the opposition discusses at its meeting, the president is word perfect. Like in the bygone Soviet age, people have once more become frightened to say anything seditious about the present authorities in public. Suddenly the KGB will again be after you. Not long ago, Lukashenka expressed his dissatisfaction at the republic prosecutor's office for solving one of the most serious "crimes" of recent times too slowly. The opposition newspaper "Svaboda" published a satirical poem "Luka Mudishchaw Is the President." A republic-wide search for the true author of the "lampoon" of the dear president was announced. The prosecutor's office set specialists of the Academy of Sciences Institute of Literature the task of carrying out a special investigation — so offended was Alyaksandr Hryhoryavich.

Lukashenka once noticed a decent sportsman on the tennis court and inquired who he was. He was told that this was the celebrated Minsk businessman who had inter alia published the scandalous newspaper. "Surely he should already be inside?!" Lukashenka said with sincere surprise. Anyone can go to prison in Belarus today. A network of voluntary assistants of the Presidential Staff's Oversight Service is being set up in the republic. As material reward, the voluntary inspectors will be paid up to 2 percent of the sum which with their assistance is additionally levied for the budget. In short it is profitable to "squeal."

Lukashenka has not only vigorously taken up tennis to keep up with fashions at the Kremlin "court". He is dreaming of beating his friend Boris Yeltsin during his next visit to Minsk. He very likely picked up his habit of running in the morning from another of his friends — Bill. After a visit to Minsk, Viktor Chernomyrdin was asked what impressions he had of President Lukashenka. He answered tersely: No one has called me Vitya for a long time now. It seems that Lukashenka is ready to call anyone his friend if they show him respect as a president....

Lukashenka's wife has not once appeared alongside him even during his official friends' visits to Minsk. Halina Lukashenka still lives in her native village of Ryzhkovichy. She looks after the farm, prepares hay for the cow.... Nothing has changed in her life. Her husband sometimes phones and sends flowers.... Poisoned tongues claim that not everything is plain and simple here. They even mention that the president has a certain fondness for one of the doctors treating him. It is said that it was actually women who played a decisive role in the election of President Lukashenka. As one of Alyaksandr Hryhoryavich's agents admitted, the main unspoken campaign phrase in the battle for the presidency was: Lukashenka is the only candidate who can.... According to Halina Lukashenka, her husband has not managed to stay in one job more than two years. We do not know how long he will remain president. He

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himself claims that he has arrived in earnest and will stay long....

Moldova

Tiraspol Reluctant To Announce Political Amnesty

AU0808082195 Chisinau INFOTAG in English 1932 GMT 7 Aug 95

[FBIS Transcribed Text] Tiraspol, INFOTAG, 7/8/1995 — The Tiraspol administration is not going to consider a political amnesty to participants of the armed conflict in Dniester, INFOTAG was told by an administration official who asked to withhold his name. He said, practically nobody in Tiraspol knows anything about the Political Amnesty Law adopted by the Moldovan Parliament last July. According to the document, all criminal proceedings shall be stopped against persons charged of various punishable deeds during the 1990-1994 events in Dniester and Gagauzia, as well as against those accused of outrages upon national and state symbols.

"We are welcoming such a law, but it contains many inaccurate formulations. It is unclear, in particular, who shall fall within the Chisinau amnesty if it is a political one but certain participants of the armed conflict are considered by Chisinau as criminal and are charged of punishable crimes", the official said. He stressed that an amnesty may be full and bilateral, but this issue needs to be discussed in detail at a Chisinau-Dniester summit. This problem is not on the agenda of the next summit scheduled for September 13.

The opposition in the Moldovan Parliament voted against the Political Amnesty Law, and proposed to condition its entering into force with liberation of the so-called Ilascu group in a Dniester prison at present. However, the proposition was not supported by parliamentary majority.

Former Gagauzi Security Chief Accused of Attempted Murder

AU0808080395 Chisinau INFOTAG in English 1932 GMT 7 Aug 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 7/8/1995 — The ex-chairman of the Standing Committee for Law and Security in the former self-proclaimed Gagauzi republic, Ivan Burguji, is being accused of an attempted murder, INFOTAG was told in the Moldovan Ministry of Interior.

Igor Boldureanu of the ministry's press center said Burguji is being kept in the Chisinau remand prison. Official charges have been made against him, and he has a right to use a defender. As was already reported, Ivan Burguji was detained last Thursday [3 August] by the Comrat police. The reason for that was his attempt to sell weapons belonging to the former Bujak Battalion of the Gagauzi guard corps.

During the detention, he offered a fierce resistance. He pulled out a grenade's primer intending to blast the policemen who, fortunately, managed to suppress him thus having prevented the explosion. This fact is the main point of the charge against him. Igor Boldureanu said the inquiry revealed other unlawful actions made by Burguji. His office and home have been examined. The police found other weapons, fraud documents and various forms of the Customs Department, the Visa Department, etc.

INFOTAG Analyzes Economic Development

AU0808080795 Chisinau INFOTAG in English 1932 GMT 7 Aug 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 7/8/1995 — Moldova is a country with a transition economy. Which phase of the transition is the republic in, currently?

In the movement towards a market economy, Moldovan government experts distinguish three main stages:

The first state, or, rather, its initial phase, was in 1991 to 1993. That was the time of searching for ways of transiting to market. The Parliament adopted a concept of actions in the transition period, and first acts were passed such as the Property Law, Bankruptcy Law, the Law on Free Economic Zones, the Land Code, etc. Many of them were adopted "long in advance," and are of little use even today. This first stage became more distinct after a privatization for National Patrimonial Bonds was launched in Moldova in September 1993, after the national currency, the leu, was introduced in November of the same year, and when monetary circulation was put in more order soon after. Approximately at the same period, a tax reform was started in the republic. And in spite of the regular outbreaks of sharp criticism, the reform allowed to adopt over 20 laws pertaining to taxation since the beginning of 1993.

In the spring of 1994, the reform movement was joined by a new parliament and a new government — the 4th one after independence. One can definitely state that one of the most active phase of the reforms was during 1993-1994, though the time was marked by quite a number of internal complications which were mostly caused by the initial slow progress of capitalization of enterprises in the spring of 1994, and the memorable "time-out" in the land reform in late 1994. For a

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positive factor, the experts point out a fact that Moldova succeeded in a quick implementation of all elements of the shock therapy: introduction of the national currency, maintaining the leu stable, liberalization of prices and trade, reduction of rates of inflation to a fairly low monthly level of 1.2 percent during the first half of 1995, privatization for the National Patrimonial Bonds, and switch from distributing credits over to trading them through auctions.

In 1994, Moldova entered into a situation practically unfamiliar to most CIS states and Eastern European countries — a harmonic work of the president, parliament and government, which enabled a prompt and efficient building of a legislative framework for the reforms. However, in spite of the efforts undertaken by Chisinau, foreign investors are in no hurry to bring their capitals to the Moldovan economy. And many members of the Government believe that the reason for that is not the poor legislation (the Moldova's Law on Foreign Investment is considered to be the best in the CIS), but the persistent political uncertainty.

A negative element here is that till 1994 nobody in the republic could provide a definite answer whether Moldova was an independent state or not. In such a situation, there were very few volunteers to invest in the new and uncertain territorial unit.

Nowadays, after the people and the Parliament have said their firm word and everybody is making compliments to Moldova putting it in line with Baltic states for its macro-stabilization results, the republic is entering the second stage of its economic reforms. The Moldovan Government presumes that this stage is more important for the overall success of the reforms. And in case a failure happens at this stage, then all the successes of the first stage will be ruined completely.

This second stage has a direct relation to the very subjects of the national economy — enterprises. At the first stage they were left at their own discretion. It was erroneously believed that if factories and farms are provided with some 'macro-frames', they will overcome the crisis by themselves. Alas, very few of them managed to. A principal role at the second stage is played by measures aimed at restructuring industrial enterprises, and by a concrete work with them conducted through the State Creditors Board and the Restructuring Agency. A no less essential objective is to determine the destiny of the banking sector. For it is impossible to restructure the national economy and to successfully overcome the post-privatization period with the current state of the banking system. Experts are maintaining that the financial sector is now very remote from the real economy. As a result, the industrial sector and the agro-industrial complex are suffering an acute shortage of financial resources. Some members of the Government think that at the current stage Moldova needs to have an investment development bank which would accumulate the money of the population and entrepreneurs, and foreign credits.

Major Moldovan banks are of another opinion on the issue. They complain of the absence of a credit refunding mechanism. The banks say they have dozens of contracts of pledge worth hundreds of millions of lei, but the money is practically impossible to receive. The bankers believe that the problem of long-term investment in the industry and construction can be pulled from the dead point only after the pledge problem has been solved.

Governmental experts presume that Moldova will hardly avoid the fate of the Baltic states, which reached the macro-stabilization stage earlier than Moldova and at the same time entered into the period of bank bankruptcies. In their estimates, the bankruptcy phenomenon will negatively influence both banks and enterprises, as well as a part of the population who placed their savings on deposits. An actual problem is accumulation of financial resources in foreign banks which belong to Moldovan entrepreneurs, and accumulation of population's savings.

According to economists, the main indications of economy rehabilitation should be not only in a low rate of inflation, but also in exports growth and, most essentially, in activation of investment. These signs are to be followed by a greater employment and higher standards of living. At the second stage, the republic will have to revitalize the Agency for Attraction of Foreign Investment. The decision to establish such a unit was taken over three years ago, but it remains unfulfilled till now. Meanwhile, such an agency is the first door a foreign investor knocks at. A third important moment at this stage of economic reforms is creation of an infrastructure of the agrarian sphere in a market environment. Moldova is often reproached for its failure to distribute land among peasants. However, in experts' opinion, this essential step should be accompanied by creation of appropriate legislative framework and a new network of services for farmers and peasants based on a firm commercial basis.

Many people have apprehensions lest the land distribution should lead to the loss of entire sub-complexes in the Moldovan agrarian sector. Peasants, for instance, do not at all cultivate essential-oil crops which used to be the pride of Moldova in the Soviet times, when the republic used to produce up to 35 percent of the USSR essential oil stock. Hasty decisions in the land

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reform may lead to a loss of raw material base for currency-earning sectors such as tobacco and sugar industries, etc., a government official said to INFOTAG. For instance, Moldova can exchange its vegetable oil and sugar for Central Asiatic cotton or Iranian oil.

Experts indicate another important moment — a more efficient utilization of the Moldova's geographical location. Why should Latvia consider its geographical position the most important national resource? Moldova is located in a no less advantageous place which allows to make use of the tremendous transit traffic moving via the republic to and from the Balkan and the Black Sea regions.

It would be very good if the second stage of the reforms takes two years, experts are saying. If the republic manages it within 1995 and 1996, then Moldova will be able to enter the third stage already in early 1997 — the stage of the 'light capitalist future', or, in plainer words, the stage of stable economic development. And Sangheli's government is likely to fulfill most of its program during the four years given to it by the Parliament.

Will the Moldovan economy reformers be able to explain all this to the population who seem to be ready to suffer some time more till some changes for the better come? Unfortunately, politicians are currently rising their voice, and the noise leaves little room for concrete economic deeds. It is in the opposition's nature to criticize, and parliament and government have nothing left to do but to defend themselves.

And the last thing. The concrete names of the Moldovan reforms' authors are still unknown. Who are they? The President? The Parliament Chairman? The Prime Minister, or his Deputy in charge of economy? Are the reforms being implemented only under the guidance of international economic organizations?

The monetary reform in the republic is conducted by the National Bank of Moldova [BNM]. It is associated with the name of the BNM Governor Leonid Talmaci who constantly explains the aims of the monetary, credit and currency policies and is brave enough to forecast the dates of their concrete results. At least, Talmaci has succeeded in making the leu stable and convertible.

As for the economic reforms, they seem to have "a collective author." And it would be nice to realize that such a collectivism is not an attempt to avoid a collective responsibility for the results of the economic reforms under way in Moldova at present.

Health Ministry Reports Cholera Situation 'Critical'

AU0808084295 Chisinau INFOTAG in English 1932 GMT 7 Aug 95

[FBIS Transcribed Text] Chisinau, August 7 (INFOTAG). The epidemiologic situation in Moldova remains critical, stated the participants of today's meeting in the Ministry of Health attended by directors of sanitary and epidemiologic structures of the republic.

During the last week, the number of cholera patients has doubled and reached 60 persons. This figure may only be considered preliminary, because information from Dniester comes with considerable delays. Already two deaths have been registered — one in Chisinau and one in Tiraspol. All other patients have been hospitalized. Out of all registered seats of the infection, only the Chisinau one has been reliably localized. During the past week, there was no new cases of cholera in the capital city. However, the seat of the infection has expanded dramatically in the Stefan Voda area, where 32 patients have been reveled recently. New cases have been reported from the Slobozia area in Dniester. To carry out disinfection works, all Moldovan areas will soon receive additional materials, including chlorinated lime. To purchase 50,000 tons of lime in Romania, the Moldovan Government has allocated $110,000, with additional allocations to follow soon for the purchase of other necessary materials.

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Tajikistan

Dushanbe Launches Campaign Against Nepotism

LD0708201595 Moscow INTERFAX in English 1733 GMT 7 Aug 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Emomali Rakhmanov ordered senior cabinet ministers to hold a session in the southern region of Kulyab to discuss how to end the deplorable practice of nepotism in the region when key posts related to food supply are assigned to members of the same family, presidential spokesman Davlatali Davlatov told INTERFAX.

The meeting is to be chaired by First Deputy Premier Makhmadsaid Ubaidullayev, coordinator for the country's law enforcement bodies.

The spokesman said the performance of local police in the first six months of this year would also dominate the agenda.

He said the president speaking at last week's government meeting had demanded an end to regional nepotism saying that only moral standards and professional skills must be a guiding line in the appointment to regional posts. IF Note: President Emomali Rakhmanov at an emergency meeting of government and parliamentary officials in Dushanbe on August 4 had pressed for tough police measures to track down criminals regardless of their post or services to the country in the past. "Anyone found guilty must be made accountable", the president said.

A working group and a coordinating body for law enforcement structures were set up with First Deputy Premier Makhmadsaid Ubaidullayev in charge.

Authorities Said Not Encroaching on Freedom of Speech

LD0708161895 Moscow INTERFAX in English 1440 GMT 7 Aug 95

[FBIS Transcribed Text] Dushanbe, Aug 7 (INTERFAX) — The authorities do not encroach on the freedom of speech in Tajikistan, the Tajik president's press secretary Davlatali Davlatov said in an exclusive interview with INTERFAX on Monday [7 August].

The press services of the Tajik security, defense and interior ministries received a letter, signed by First Deputy Prime Minister Makhmadsaid Ubaidulayev, recommending that information offered by them to local and foreign journalists on developments in the country first be coordinated with the president's press service.

Commenting on the document, Davlatov said that any reviving of censorship in the country is out of the question. He denied the view, posited by certain news analysts, that the move aims to limit the rights of the media.

"The document is aimed at coordinating the activities of all the press services in the republic," he said. It seeks that journalists be offered "only the true information".

Davlatov said that the recommendation had been motivated by "biased stories running in some of the media". He said that such articles had "spread false information about developments in Tajikistan, particularly on the Tajik-Afghan border, and about their influence on the domestic and crime situation."

The press secretary said that "journalists may either take this recommendation to heart or continue receiving information from the sources they consider reliable."

Turkmenistan

President Blames Shortages on Bad Managers

LD0608140595 Ashgabat TURKMENSKAYA ISKRA in Russian 29 Jul 95 p 1

[Unattributed article: "Saparmyrat Turkmenbashy: Competent, able, smart, honest people who make the motherland and independence their priority should work in the state administration apparatus"]

[FBIS Translated Excerpt] Ashgabat, 28 Jul (TURKMEN PRESS) — A meeting of the Cabinet of Ministers took place today under the chairmanship of President Saparmyrat Turkmenbashy of Turkmenistan. [passage omitted]

At the meeting President Saparmyrat Turkmenbashy dwelt on ways of radically reforming and decisively improving the work of the state administration system. The head of state emphasized the need for change in the area of senior personnel and stated that delay or procrastination are inadmissible here. Unfortunately, the state administration still displays a lack of understanding of its own tasks and an inability to abandon the old habit of working to order. The inadequate organization and competence of officials are apparent.

In the period when the Communist Party ruled the state there was no difference between the activity of departments of the [Communist Party] Central Committee and the Cabinet of Ministers. Government departments became used to waiting for instructions from the party and to not resolving anything on their own. In many cases this bad habit is still apparent, and as a result things are sometimes allowed to slide. Departments are not

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sufficiently aware of their own rights, and do not fully understand their duties or the aims and tasks of their work. Saparmyrat Turkmenbashy ordered these shortcomings to be eliminated in the shortest possible time and stressed that the state administration apparatus must be a model for lower-level bodies in all areas of work.

"Competent, able, smart, and honest people who make the motherland and independence their priority should work in the apparatus of state management and the Cabinet of Ministers departments," Saparmyrat Turkmenbashy stressed. [passage omitted]

President Saparmyrat Turkmenbashy emphasized that one reason why some sectors, particularly agriculture, are lagging behind badly is poor supervision of their work and the complete incompetence of employees in the agroindustrial complex. Saparmyrat Turkmenbashy severely criticized the fact that not only do some employees of state organizations fail to understand the meaning and aims of their work, they have also found themselves in leading positions entirely by accident and have no specialized education.

Many employees of the regional agricultural administrations are not entirely competent in their areas. Often people whose knowledge and experience are in completely different sectors are appointed to the "profitable jobs", as they are called. It is obvious, for example, that people who have worked for a long time at a cement plant or headed a garment factory or restaurant will not do well as head of a plant which makes felt. The disorder in the trade sector, disruptions in supplies of such foodstuffs as flour and oil to the public, and the deception of consumers can only be explained by the absence of a sense of responsibility and poor supervision.

"If there were strict supervision everywhere, responsibility for the future of the country and people, and fair management, then such goods as, say, gasoline, cotton oil, and soap would be available to the population," Saparmyrat Turkmenbashy stressed. "The reason why artificial shortages of these products and other irregularities are created can be explained by wilfull and arbitrary actions committed in the relevant organizations and local administrations. There are still cases where heads of local administrations fail to understand their rights and duties properly and make decisions which are against the rules. It is impossible to reconcile oneself to human rights violations such as cases where people are made liable by illegal means — it discredits the law.

"This lack of responsibility is alien to the traditions of the independent state. It shows the need to collectively decide whether leaders — from village heads to leaders at state level — are up to their jobs, and to appraise their talents, abilities, fairness, honesty, and other important traits of character. It is a direct task for the deputy chairmen of the country's Cabinet of Ministers to supervise this work." [passage omitted]

Regional Heads Fired for Poor Economic Performance

LD0708192095 Moscow Radio Rossii Network in Russian 1700 GMT 7 Aug 95

[FBIS Translated Text] Turkmen President Saparmurad Niyazov has sacked 10 of 50 heads of the republic's district administrations because their economies have failed to fulfill the state order for wheat supplies. The IMA-PRESS agency has reported that slightly over 850,000 tonnes of grain have been harvested in Turkmenistan instead of the 1 million tonnes that were expected.

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Armenia

World Bank Director Cited on Use of Loans

LD0708141195 Moscow INTERFAX in English 1328 GMT 7 Aug 95

[FBIS Transcribed Text] Yerevan, Aug 7 (FIA-INTERFAX) - Over the last two years Armenia has borrowed $140 million from the International Development Association, part of the World Bank group, one of the bank's directors said.

Evelyn Herfkens told a news briefing in Yerevan that the former Soviet republic had used the money to build and rebuild motor roads and irrigation systems, improve its energy sector and rebuild the town of Spitak, hit by a powerful earthquake in 1988.

In the next two years, the bank will lend Armenia between $130 million and $150 million, Herfkens said. The bank is also working on a large-scale program to support the Caucasus country's poorer population strata, which involves the creation of a social investment fund, she said.

Positions Come Under Fire From Azerbaijan

NC0708172695 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 7 Aug 95

[FBIS Translated Text] Yet another border incident has occurred in the northeastern sector of the Armenian-Azerbaijani border. The Azerbaijani army units opened fire on the defensive positions of Voskevan in Noyemberian Region between 2115-2125 and 2230-2330. The Armenian armed formations forced the enemy to ceased firing. There were no casualties. Calm has prevailed since last night along the rest of the border. This was reported by the Armenian Defense Ministry. The cease-fire is being observed in Nagorno-Karabakh.

Legal Proceedings Begun Against Dro Secret Organization

LD0708162395 Moscow INTERFAX in English 1448 GMT 7 Aug 95

[FBIS Transcribed Text] YEREVAN, Aug 7 (INTERFAX) — Legal proceedings against the Dro secret organization began in Yerevan today.

The Armenian authorities believe that this organization acts within the structure of the Dashnaktsutyun opposition party.

An Interfax correspondent reports that charges have been brought against 11 Dro members who were detained last December. The 11 Dro members are accused of launching terrorist attacks, including the murder of politicians, Yerevan's former mayor Ambartsum Galstyan among the murdered.

The 11 Dro members face a possible prison sentence of 10-15 years or the death penalty.

One of the accused, Arsen Artsruni, delivered a statement at the court saying that he has been on a hunger strike for the fourth day in the detention center. He said the trial was political and was aimed at discrediting the Dashnaktsutyun party.

During the legal proceedings two lawyers demanded that judge Eduard Manukyan be dismissed as the head judge at the trial. They said they believed that Manukyan was biased against the Dro because two months ago he had told the Armenpress local news agency in an interview that the Dro was participating in the Dashnak party.

The legal proceedings were postponed until Tuesday, 10:00 a.m.

The Armenian Supreme Court suspended the Dashnak party for six months on January 13 of this year after the Dro terrorist group was arrested. As a result of the incident, the Dashnak party failed to take part in the parliamentary elections on July 5. Another group, said by the authorities to belong to the Dashnak party and accused of attempting to wreck by-elections, was arrested on July 29, the by-election day.

A total of about 30 members of the Dashnak party have up to now been detained.

Various Mines Offered For Sale to Public

NC0708153495 Yerevan SNARK in English 0636 GMT 7 Aug 95

[FBIS Transcribed Text] Yerevan, August 7 (SNARK) — Armenia's Ministry of Economy offered for sale to the public 33 mines of gold, iron, semi-precious stones, natural construction materials, etc. Individuals as well as local and foreign legal entities which are registered in Armenia can participate in the trading. Participants must pay a fee which amounts to 10,800 drams, and fill out an application.

BUSINESS-SNARK was informed by a committee that the expenses of exploratory research in all of the mines offered for sale had been made from the federal budget. Initially Armenia's geological administration offered 104 mines, however, only 33 of them are being included on the list of the first auction. If it is a success, open auctions will take place regularly.

Applications should be sent before August 31. Then, within ten days all applicants will receive geological and economic data on the mine they are interested in and submit their own projects on comprehensive development of the mine, equipment, capacity and

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effectiveness of future enterprises. Nature conservation must be stipulated by the project as well.

This is first time mines are being sold in Armenia, although mines such as Tekhut turquoise mine in north Armenia, attracted the attention of locals and foreigners in the field of mining.

Azerbaijan

President Receives Turkish Envoy on Karabakh Issue

NC0708183895 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 7 Aug 95

[FBIS Translated Text] Today Azerbaijani President Geydar Aliyev received Ambassador Kemal Ayhan, the newly appointed representative of Turkey at the talks being held under the aegis of the OSCE to resolve the Armenian-Azerbaijani conflict. Karanfil Khalilova reports:

[Begin recording] [Khalilova] Mr. Ayhan is very familiar with the problems of the former Soviet republics, was Turkey's ambassador to Russia for many years, and was recently appointed as a mediator at the Azerbaijan-Armenian peace talks. He noted that this is his first visit to Azerbaijan since its independence. The Turkish diplomat noted that he was satisfied with the visit, and he conveyed the respect and love of President Suleyman Demirel, Prime Minister Tansu Ciller, Foreign Minister Erdal Inonu and the nation he represents to our president and the Azerbaijani people. He declared that Turkey is Azerbaijan's friend and is ready to prove this at any time. Kemal Ayhan said that he is following Azerbaijan's achievements at home and abroad and the processes taking place in the country. He expressed the belief that the Azerbaijani people will extricate themselves from their difficulties of recent years thanks to the leadership of President Geydar Aliyev. He stressed that Turkey remains true to its position on aiding Azerbaijan in this regard.

President Geydar Aliyev considered the compliments about Azerbaijan to be natural and noted that he regards this as a natural continuation of the traditions of friendship and fraternity between the two states. Geydar Aliyev said that Turkey deserves far more compliments and noted that since Turkish Prime Minister Tansu Ciller's visit to our republic a month ago, a reliable foundation has been laid for the further consolidation of the ties between our countries. He noted that no hurdle, even one centuries long, could undermine the affection between our peoples. Every condition has been created in recent years for the enhancement of this affection when all the hurdles have been removed.

Stating that the Turkish people consider Azerbaijan's pains and joys as its own, Kemal Ayhan promised that as Turkey's representative to the OSCE he will spare no effort in restoring peace and stability in the region.

[Aliyev] As you know, we are holding talks within the Minsk Group. We are working for success in these talks. As you know, talks were last held in Baden, Austria. The head of our delegation, Deputy Foreign Minister Tofik Zulfugarov, is here with us. The talks were held but none of our goals have yet been achieved. Therefore, there is a need for consultations on the issue.

[Khalilova] Kemal Ayhan handed a letter from Turkish President Suleyman Demirel to Geydar Aliyev. [end recording]

Foreign Minister Gasan Gasanov also received Kemal Ayhan today.

Islamic Party Condemns Ban on Entering Elections

LD0808113095 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 8 Aug 95

[FBIS Translated Text] The Islamic Party in the Republic of Azerbaijan has condemned the recent government decision to deprive clergymen and members of that party from the right to participate in that country's future parliamentary elections. The Islamic Party of the Republic of Azerbaijan has described the article relating to this point in the draft of the parliamentary election law as being a violation of human rights. It has announced that if it is approved it will boycott the elections. [sentence as heard]

The draft of the parliamentary election law is being examined by the National Assembly of the Republic of Azerbaijan.

Election Bloc Demands Amendments to Election Bill

LD0808110895 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] BAKU, August 8 (INTERFAX) — In Azerbaijan, the Round Table — a block of opposition parties — has demanded that the authorities change a number of key points in the election bill now under discussion. Otherwise, a statement released by Round Table on Monday warns, the block will boycott the parliamentary elections, slated for November 12.

The opposition demands that the number of seats in the new parliament be raised from 121 to 181, half the parliamentary mandates rather than 20 percent, as the bill says be contested on party lists, and that holding

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posts in both the executive and legislative branches be prohibited.

Round Table comprises 21 parties, among them such major opposition organizations — Azerbaijan's Popular Front, which was denied official registration last week, the Musavat party, and the Social-Democratic Party.

Meanwhile, the parliament will continue to debate the bill point by point on Tuesday.

Georgia

Protest to Moscow Over Adler Airport Incident

LD0708165795 Moscow INTERFAX in English 1608 GMT 7 Aug 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Tbilisi, Aug 7 (INTERFAX) — The Georgian Foreign Ministry sent Monday [7 August] a note of protest to Russia following the incident at Adler airport, South Russia, last Thursday.

According to the ministry, Russian border troops blocked an aeroplane carrying Georgian Defense Minister Vardiko Nadibaidze for several hours.

Meanwhile, the press center of the Georgian Defense Ministry refused to comment on the incident, claiming that the minister's plane was not detained in Adler.

Earlier the Russian Federal Border Service refused to comment on the case.

Further on Detention of Defense Minister

LD0708212395 Tbilisi CONTACT INFORMATION AGENCY in Russian 1600 GMT 7 Aug 95

[FBIS Translated Text] Tbilisi — An unprecedented incident has recently occurred at Adler airport — the contingent of the Russian border troops held for five hours the plane carrying Georgian Defense Minister Vardiko Nadibaidze. He had arrived there for a working meeting with the head of the defense department of the Russian Federation, Pavel Grachev. The meeting was scheduled to take place in Sochi.

Demanding an explanation for his detention, Nadibaidze was told that the Russian border guards were carrying out orders of their command.

Neither the arrival of Grachev's aide at Adler airport nor a written order of the first deputy prime minister, Oleg Soskovets, helped to free the minister.

Only following the second arrival at the airport of the representative of the Russian defense minister, who had assume full responsibility, was Vardiko Nadibaidze allowed out of the plane.

However, the representatives of border services were threatening to open fire and kill.

A meeting of heads of the Russian and Georgian defense ministries were held on 3 August in Sochi. On the next day, Lt-Gen Nadibaidze flew to Moscow to participate in talks with Russian Prime Minister Chernomyrdin, during which Chernomyrdin and Pavel Grachev apologized for the incident.

In connection with the above, the Georgian Foreign Ministry has sent an official Note of protest to the Russian Foreign Ministry.

At tomorrow's parliament session, at deputies' demands, the head of state will give an explanation of the incident and talk about the measures which are being taken.

W. Georgian Region Demands Withdrawal of Armenian Battalion

LD0708131995 Tbilisi IPRINDA in Russian 1100 GMT 7 Aug 95

[FBIS Translated Text] Tsalenjikha, 7 Aug — The local administration of Zugdidi and Tsalenjikha districts demand the withdrawal of the so-called Armenian battalion of the CIS peacekeeping forces from Tsalenjikha district. This was declared on 6 August at the meeting between Prime Minister Otar Patsatsia and the heads of the administrations of the above districts.

This decision was caused by the instances of robbery against the civilian population and the killing of cattle by soldiers of the Armenian battalion to which the local population reacted extremely negatively.

Patsatsia promised to resolve the problem and replace the battalion by the Russian peacekeepers.

Abkhazia: Dudayev Envoy Calls For Chechens To Return

LD0708170895 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 7 Aug 95

[FBIS Translated Text] According to reports by the press service of the Supreme Council of the Autonomous Republic of Abkhazia, a personal envoy of Chechen President Dzhokhar Dudayev is currently visiting Sukhumi. The aim of his visit is to have all the Chechens who are participating [as heard] in the war in Abkhazia, extradited to their homeland. We must put an end to [the Chechens] sitting in luxury homes of the Georgians at a time when the threat of occupation is

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looming over Chechnya, he told his fellow countrymen at a meeting.

The guest also met Soslanalyev, the defense minister of the so-called Abkhazia, and asked him to create promptly a mobile Abkhaz battalion that will participate in the holy war of the Chechen people.

The leaders of the political and social organization Khajarat also promised their support to Dudayev.

Abkhaz Separatists Reportedly Supplied With Tatarstan Arms

LD0708203595 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 7 Aug 95

[FBIS Translated Text] An agreement on friendship and cooperation between a constituent part of the Russian Federation, the Republic of Tatarstan, and Abkhaz separatists is being implemented. We have learned that a criminal group of arms sellers has delivered a large batch of modern weapons, manufactured at the Izhevsk Car Factory, to Gudauta.

Shevardnadze Submits Constitutional Article on Presidency

LD0808104995 Moscow INTERFAX in English 0956 GMT 8 Aug 95

[FBIS Transcribed Text] Tbilisi, Aug 8 (INTERFAX) — On Tuesday [8 August] Georgian leader Eduard Shevardnadze submitted to parliament an article on the presidency from Georgia's draft constitution.

Addressing the parliamentarians, he noted that the conciliatory commission had decided to resort to this step for the purpose of overcoming the deadlock the parliament had found itself in after the opposition's refusal to work on the draft constitution before discussing the article on the presidency.

Presenting the article, Shevardnadze said that under the draft the president is the head of the executive authorities. The post of prime minister is not envisaged.

Under the draft constitution the president is to form the cabinet of ministers with parliament approval, appoint the leaders of local government bodies, and has the right to veto decisions taken by parliament.

In the meantime, Nodar Natadze, who leads the parliamentary faction of the Republican Party - the biggest opposition force in Georgia's parliament - said that his faction will continue to insist on adopting a constitutional provision which stipulates that Georgia is a parliamentary republic.

While presenting the article on presidency, Shevardnadze called for conducting consultations among factions, and for holding a plenary session in the afternoon for continuing debates. The article in question is to be voted on Tuesday afternoon.

Shevardnadze Chairs Discussion on Draft Constitution

LD0708174795 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 7 Aug 95

[FBIS Translated Text] The draft constitution is the focus of the Georgian Parliament's attention. The conciliation commission has discussed a number of draft constitution options for several days but, in reality, no agreement has been reached on any of the options.

Today's parliamentary majority session, which was chaired by Eduard Shevardnadze, chairman of the State Council and head of state, discussed the draft constitution.

Shalva Natelashvili, chairman of the juridical commission, familiarized meeting participants with the option of adapting the key elements of the U.S. presidential republic to Georgia.

According to the project, which is linked with the names of Deputy Prime Minister Bakur Gulua, a group of deputies, and the Reformists Union, the president of the country is simultaneously the head of the government, which rules out a vacuum of the executive authority. The president does not depend on parliament when executing the rights granted by the constitution. Parliament has no right to endorse a vote of no confidence in the government created by the president. Subsequently, the president has no right to dissolve parliament and hold extraordinary elections.

It was noted at the session that some opposition parties supported this draft. However, there are clauses which need elaboration. During the second half of the day the commission continued to work on an acceptable constitutional option.

We will give full information about the working of the session in future broadcasts.

Shevardnadze Orders Security Guarantees on Railways

LD0708174395 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 7 Aug 95

[FBIS Translated Text] Here is information from the press center of the Department for Railways.

Edict No. 118 by the head of state of the Republic of Georgia orders the local bodies of management, on whose territory railways lie, that they must actively assist the Department for Railways of the Republic of

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Georgia and create security for passengers, the personnel, cargos, and railway installations. Every instant of irregularity must become a subject for a strict discussion.

Shevardnadze on Economic, Political Issues

LD0708124595 Tbilisi Radio Tbilisi Network in Georgian 0521 GMT 7 Aug 95

["Weekly" studio interview with Georgian Head of State Eduard Shevardnadze by correspondent Nato Oniani — live]

[FBIS Translated Excerpt] [Oniani] Last week you had a meeting with World Bank representatives. This will probably be one of the major points to be considered during the economic review. Also last week, on 31 July, a new border and customs checkpoint was opened at a Ardahan-Akhaltsikhe section of the Turkey-Georgia border. Apart from the political significance, this event has, first of all, economic significance.

[Shevardnadze] Good morning. Briefly about current processes in the economy.

Against the background of heated discussions over a draft constitution in the parliament, intense work continued on the implementation of the program for macroeconomic stabilization. Positive trends of financial improvement and the stirring up of the sphere of production, which have been observed since the beginning of the year, are becoming more and more perceptible and reliable. This was once again confirmed during the meeting of the Georgian head of state with the executive director of the World Bank.

According to the Georgian Tax Inspectorate, despite difficulties in the economy, budget revenues still tended to increase in July owing to the implementation of joint programs drawn up by the Georgian authorities and international financial institutions. The sum received through the Tax Inspectorate in July reached 15,500 billion coupons. This exceeds the IMF target. It should be noted that although the targets of most of the budget sections have been met, there has been a failure in VAT [value-added tax] payments. Budget receipts did not account for over 1,000 billion coupons of VAT. [passage omitted]

The Georgian Tax Inspectorate has revealed serious infringements in the organizations of the Department of Motor Transport. I would like to mention a concrete fact. Everyone should keep in mind that sooner or later every organization that does not care about the state interests will be exposed, their activities will be discussed, and appropriate measures against them will be taken. I want to say a few words about the motor vehicle association in the town of Gori. The inspection revealed various infringements, and the association was fined almost 1,000 billion coupons. Nowadays, owing to the revival of the economy and a relative improvement in the crime situation, the transport facilities are, actually, run at a full workload. [passage omitted]

However, there are no adequate increments in budget payments. In the Gori motor transport association, which I am talking about, the sums of money paid in by drivers during the day do not reach the costs of servicing even one passenger. Moreover, the inspection revealed that actual income of the association was 1 million rubles a day, and this was far more than the sum declared by the association as its monthly income. [passage omitted]

The process of stabilization in the industrial complex of the republic creates real possibilities for attracting foreign investments. Projects for developing four enterprises have been drawn up and they meet international standards. I familiarized myself with these projects, and I am confident any foreign investor will be able to find whatever interests him on the basis of these projects.

The tinned product industry has major priority within the system of the Ministry of Agriculture and Food Industry. However, because of particular reasons, the branch has been virtually at a standstill for the past three years. Against this background, I would like to point out recent activities of the Gori factory of food concentrates, which, together with local facilities of the rural economy, set up a company, took on lease 500 hectares of long- unattended apple orchards, and without any loans and using last year's profits, purchased pesticides and fertilizers. At present, the company is expecting the harvest of over 2,000 tonnes of apple. This will enable the company to produce $400,000 worth of apple concentrate. [passage omitted] The Gardabani tinned food factory has also managed, without any loans, to get ready to receive and process up to 10,000 tonnes of tomatoes. Nothing like that could be imagined a year ago. [passage omitted]

A very good harvest of grapes is expected this year. I am calling on the Cabinet of Ministers to consider the issue in the next few days and decide what to do with the harvest. I am not demanding that everything be done as it used to in the past when the state would fund everything and would buy the produce. But we have to find the way out. It is inadmissible to lose and waste wealth like this. [passage omitted]

Our cooperation with the World Bank, the International Monetary Fund, and, at a certain extent, the European Union has become a major factor of reforming the whole

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economy of Georgia and leading Georgia out of the crisis. This cooperation not only enhances my hopes and confidence but also gives me real human satisfaction. Those representatives of the organizations with whom I have had contacts — IMF Director General Camdessus has visited us, some others, the World Bank president intends to arrive probably in September, I have invited him and am sure this will be a significant occasion for Georgia — are top professionals and highly experienced individuals. Therefore, their recommendations and suggestions are of major importance for me personally. [passage omitted]

Speaking of my meeting with Turkish President Demirel, Prime Minister Ciller, and other top officials of Turkey in connection with the inauguration of the border and customs checkpoint in Akhaltsikhe District, I would say that this was an unprecedented event in the history of age-old relations between the two countries. The meeting was very fruitful and warm. I believe relations between our countries have reached the stage where we can start very useful activities in economic, cultural, scientific, and other spheres. [passage omitted]

[Oniani] I would recall your meeting with the Turkish side. Speaking to journalists after that meeting in the Likani Palace [in Borjomi, southern Georgia], the Turkish president and prime minister once again pointed out Turkey's desire to have Caspian crude oil transported through Georgian territory. They mentioned that the issue had also been discussed among other regional issues. Could you please tell us some more details about this. And more. There is a lot of talk in Georgia concerning the oil pipeline. What do you think caused this now and not four months or a year ago? Our population was aware of the possibility of having the pipeline built in Georgia a long time ago. Why has particular attention been drawn to this issue now in the run-up to the elections?

[Shevardnadze] I have always thought that information we provide the population with is planned and weighed, and I believe many points of the current negotiations cannot be discussed publicly. This could even mess up the process we are interested in.

To tell you the truth, I even feel a little embarrassed to get involved in debates we have been dragged into for the past two or three days. Everything that was said about this seems to be at the primary school level. Do they really think they will not be answered? Or do they think the authorities do not understand? It has been formulated in this way: The authorities cannot realize that the oil pipeline is of not only economic but also strategic importance. That is why I say this seems to be a primary school level of thinking. The authorities are accused of not applying officially to anyone; meanwhile, others are active. There are more lies than there are the number of words in the statement like this. There is no country with any connection to the construction of the pipeline that we have not discussed the issue with since 1992. It has been done both officially and unofficially. And it has been done at any level — at the top, medium, and lower levels. All international and European organizations without exception have discussed the issue of passing the Europe-Asia corridor through Georgia, and the oil pipeline is an element of the corridor. I have participated in the dialogues on the issue at almost all levels. There are official letters and records of talks. A special center for studying the problem and drafting a project has been set up. No one can say at the moment what the decision will be about the pipeline. You have heard how categorical the statement made by Mr. Demirel and Ms. Ciller was in this connection.

[Oniani] As far as I know, Turkey possesses 7 percent of the shares, and the interests of many countries are involved.

[Shevardnadze] I see that I am now forced to be involved in the discussion. There are several options. The one, which is less costly, more secure and acceptable for every country not only today but also in the future, will be adopted. This a project of the century and its fate will not be decided by the will of any party, even if it is the National-Democratic Party. [passage omitted]

It is a lie. We hold consultations of this sort with the Russian authorities and almost with all the countries concerned. And at least 15 countries, I would say the whole of Europe, are concerned. And the dialogues continue everywhere and with everyone.

I would also like to say that although there are already hints, no one will manage to confront us with Azerbaijan or with Armenia. This will never happen. We need an oil pipeline, a gas pipeline, a corridor between Europe and Asia and many other possible benefits for well-being and stability rather than for confrontation and tense relations with our neighbors and partners.

[Oniani] In a 3 August letter addressed to you, U.S. Vice President Al Gore says: At present, Georgia is passing through an important transition period. Your authorities deserve to be praised for complex decisions they have taken and for their firm commitments that help them to advance despite all the obstacles. The current debates over the draft constitution and elections scheduled for November confirm these commitments. The United States will further continue to support Georgia and assist it in building democratic establishments.

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Last week, the parliament discussed the constitution. Do you think the parliament will manage to achieve positive results, or will a referendum be required?

[Shevardnadze] I greatly appreciate the good and supportive attitude of the U.S. vice president toward Georgia and its problems.

As far as the debates over the constitution are concerned, I would refrain from comments because I do not want to give a fresh opportunity to argue to those forces who are interested in frustrating the constitutional process. I would not say that these are major forces, but still, there are some.

I have a meeting with the parliamentary majority today, and I pin certain hopes on the meeting. The situation among the majority is not simple, either.

The parliament has its sitting 8 August. You know I dedicated the past two weeks to consultations, although I have to say with regret that, with the exception of two or three parties, no one has showed real enthusiasm. It seems embarrassing that while the head of state holds meetings and consultations, these parties and factions who claim to be interested in adopting the constitution do not regard it as necessary to attend the meetings. They make statements that they will not participate if this or that version is discussed and so on. I do not think it is right.

Provided we fail to get a required effect, it is natural that if unlimited debates eventually become absurd and senseless, there is one way out and this is, indeed, a referendum. If not the constitution, the issue of power and authorities can be submitted to the population for consideration. Then we can hold elections and entrust a new parliament with the adoption of the constitution. This option cannot be ruled out, either.

Indeed, my personal wish is to have the constitution adopted by the parliament now, but in no circumstances at the expense of unprincipled compromises and concessions that will cost too dear to the country in the future.

[Oniani] A statement by an initiatory group of the Georgian national assembly was disseminated last week. In connection with the current legal, economic, and psychological crisis, the initiatory group appeals to the population to get involved in considering acute problems facing Georgia and taking decisions on them. That is the reason they are calling the national assembly. The statement by the initiatory group has been signed by the people of various political views.

How would you comment on the statement?

[Shevardnadze] Probably very briefly. Lots of gatherings occur in a democratic country. I have no idea about tasks and aims of the so-called national assembly. I simply had neither time nor opportunity to familiarize myself with the issue. I do not think that the event is that important. I have been told, although it may not be right, but I have been told by several people that many armed people attended the meeting. If this is the case, it is bad.

As for gatherings, let them assemble as often as they wish. I refrain from other comments. And I will tell you why I refrain. I trust the wisdom of the population of Georgia, and I believe in their ability to appraise all forces and all candidates. [passage omitted]

'Modern' Communist Party Head Outlines Goals

AU0408162595 Tbilisi ARGUMENTI in Georgian 26 Jul-1 Aug 95 p 2

[Interview with Ivane Tsiklauri, Georgian Communist Party Central Committee first secretary, by Davit Paichadze; place and date not given: "First Let Us Build Socialism"]

[FBIS Translated Text] [Paichadze] In 1991, the Georgian Communist Party was outlawed. What is your relationship to this party?

[Tsiklauri] Our party is its political, ideological, and legal successor. There is one difference: We condemn all the mistakes it made in the political and economic sphere or regarding the national question.

[Paichadze] What needs to be changed in the economy?

[Tsiklauri] Georgia will not be able to proceed along that path of development favored by our economists and politicians. A free market economy resulted in a crisis and collapse in England, the United States, and other countries as early as in the 1930's. Here, everything should come under a centralized system that should be subordinate to national and patriotic ideology and state interests. Otherwise, we will end up in that group of countries to which, for example, Switzerland belongs.

[Paichadze] What do you see as being the desirable forms of ownership in Georgia?

[Tsiklauri] The principal means of production should be in public and state ownership and there should also exist collective ownership. Private ownership is permissible in the form that existed in Stalin's time: A person could have a small enterprise where only he and his family were producing goods.

[Paichadze] Isn't this minimum ownership?

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[Tsiklauri] Yes. However, if we allow hired labor and the exploitation of man here in Georgia, we will not be able to build a national and patriotic state.

[Paichadze] What is the party's goal in the event that it is successful?

[Tsiklauri] To restore the republic's territorial integrity only by political means, to harness the economy, and provide people with jobs. If we manage to do this, it will be easy to resolve other social problems. In the past, a person was happy when he went to work. Now, however,....

[Paichadze] How do you view the present authorities?

[Tsiklauri] We agree with them on basic issues (the restoration of territorial integrity, the extermination of armed bands, and so forth), but we hold a different position on a number of other questions. We view the privatization of the principal means of production as generally unacceptable; small enterprises where private labor will be used are, however, acceptable. In addition, the population is unprotected and repressed; people have become completely apolitical and have no ideals whatsover. Nevertheless, there have been positive shifts — you can go out onto the streets in the evening and international relations have been more or less restored.

[Paichadze] You refer to the population being apolitical, but whose policy was it that dashed the people's hopes?

[Tsiklauri] From the very outset, the national movement turned people against the Communists, but they very soon turned their backs on it. A process is now under way whereby the general mass of people is turning toward the Communists. However, what we want exactly is not for people to turn toward what is really national. All this has come about because the communist movement has not continued the Stalinist tradition of a political approach to the national question.

[Paichadze] How do you view the state's territorial arrangement?

[Tsiklauri] In our variant of the Constitution, the status of autonomous republics has been left unaltered. The existence of the South Ossetian Autonomous Oblast is unacceptable to us. It could have been called, let us say, the Autonomous Oblast of Georgian Ossetians, but not South Ossetia.

[Paichadze] What is the difference between your party and other communist-type parties in Georgia?

[Tsiklauri] We are a modern communist party. We have a new approach to what are traditional issues for the communist movement, whether it is the dictatorship of the proletariat, proletarian internationalism, the class struggle.... Today's Communist Party should be a creative Marxist party and the entire national-patriotic-social movement in Georgia should be equated with it.

[Paichadze] According to the accepted view, the creative development of Marxism no longer occurred after Stalin. A new path requires a new theory and a new ideology....

[Tsiklauri] Unfortunately, there was no theoretical Marxist after Stalin and it was precisely this that resulted in collapse. The forecasts in his theoretical abstracts have come true. He himself favored a creative approach to the question and said that talmudism would kill the communist movement.

[Paichadze] Does your program envisage the construction of communism?

[Tsiklauri] Communism is a far-reaching idea and an ideal. Today, the desire to begin its construction is a sign of a low political level. Let us first build socialism. The Georgian people have always espoused collective labor, mutual assistance, and similar traditions...

[Paichadze] You have mentioned Stalin's policy, the Stalinist approach, and so on several times. However, the reference point of other communist-type parties here is the reality that existed precisely up to 1953. This, I believe, is what you have in common. The differences that you mentioned seem to me to be of secondary importance when compared with this similarity between you.

[Tsiklauri] Everything that I said is Stalinism. The new things that are needed today can be found in the works that Stalin left us at the end of the forties. Already then, the issue was raised that the military-communist camp's relations should have changed following its breaking out of imperialist encirclement. The opportunity arose for us to move away from permanent tension and confrontation and to make various compromises. They didn't manage to do this in Stalin's time as processes had not developed and we almost came to another war in the sixties. Today, they are trying to cover up Stalin's achievements. However, let's just take a look and see when all the enterprises were built in Georgia.

[Paichadze] If Stalin had not been a Georgian, would you have had the same view of him?

[Tsiklauri] Yes. Unfortunately, the population is not familiar with his works; they are written in a very simple and clear language, and even an ordinary worker can read them. They are valuable both as a political strategy and tactics and from the theoretical point of view. No other trend save normal politics — pure socialism — can be formed from Stalinism. So, it will always be my ideal.

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[Paichadze] Isn't this what they also think in the Stalinist Party and the United Communist Party [UCP]?

[Tsiklauri] Their leaders have no kind of Stalinist principle at all. They are only working on using his name in the elections to attract votes and secure victory.

Moreover, the UCP is raising the question of restoring the USSR. Who needs the restoration of the country as it existed under Gorbachev and Brezhnev? Their other mistake is radicalism that is unacceptable in all political trends. The UCP took 48 delegates to the "UCP-CPSU" [acronyms as published] (Union of Communist Parties-USSR) congress. Such a step in contemporary politics is not only short-sighted, but also senseless. Enough of illusions. The international market has raised our domestic market to such a level that no one is in a position to bring it down. On the contrary, we should equalize the levels using our technological processes. In such conditions, it is impossible to return to the situation when cheese cost two rubles and bread 30 kopecks. If you get people to follow you with such promises and you cannot keep them, they will turn to you in six months time and demand an answer.

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Estonia

Defense Minister on New 'Unique' Defense Concept

LD0708203195 Tallinn Radio Tallinn Network in Estonian 1700 GMT 7 Aug 95

[FBIS Translated Excerpt] The Estonian Ministry of Defense has completed work on the draft concept of the state defense policy. Tomorrow, the government is to discuss the draft. Here is Koit Luus with an interview with Defense Minister Andrus Oovel. [passage omitted]

[Begin recording] [Luus] What are the main principles of the document?

[Oovel] We have defined three basic principles. The first of them is general obligatory service in the Defense Forces. The second principle is that of total defense where the state, through its systematic coordinated work in peacetime, creates preconditions for consolidating all resources in crisis. Third, there is a policy aimed at joining the Western European states. [passage omitted]

The development of our state defense makes it possible to put into efficient use up to six percent of the state budget and this is the figure we would want.

[Luus] When drawing up the concept, have you copied some specific model or have you picked the best features from many?

[Oovel] An effort was made to take into account the realities of Estonia. When the idea about Estonian national state defense was born, we wanted to create one mini-model that would include all types of troops and represent a little bit of everything. Now, I am glad to say, we have reached a unique model that, although influenced by the experience of small countries, has been tailored to this piece of land and these people here and to existing financial constraints.

[Luus] Does the concept take into account cooperation between the Baltic states?

[Oovel] Yes indeed. We, the three Baltic defense ministers, have begun to share the clear conviction that state defense can be taken at all seriously only if the Baltic states work together. Our opinion is that, if the defense concepts of Latvia, Lithuania, and Estonia are approved by our parliaments, the three ministries will prepare for the Baltic Assembly a joint document that defines shared obligations.

[Luus] What about cooperation with the Nordic countries and NATO?

[Oovel] [passage omitted] I would say that the world is very seriously looking for a path to integrate us. Perhaps, it will be our task to show this path — we must be able to build up a state defense system that makes it possible to assist us. [end recording]

Country's Navy Without Chief of Staff

MM0808104695 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 3

[Report by Valeriy Gromak: "Estonian Navy Seeks Chief of Staff"]

[FBIS Translated Text] For 14 months former Swedish Navy officer Veljo Parli was the Estonian Navy's chief of staff. But, as Captain Roland Leyt, commander of the Estonian Navy, said, Parli recently returned home for family reasons.

According to Capt. Leyt, the Estonian Navy does not have a new chief of staff since it does not have enough naval officers. Next year several Estonian cadets will take a staff officer course in the United States, following which one of them may be appointed Navy chief of staff.

Lithuania

Joint Lithuanian-U.S. Military Exercises Begin

LD0408122695 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 4 Aug 95

[FBIS Translated Text] The first ever joint Lithuanian-U.S. military exercises, called Gintaro Slenis 95 [Amber Valley 95], are starting in Lithuania today.

The exercises will be carried out at the military ground of Rukla by the 140-strong company of Lithuanian soldiers, headed by 10 American instructors, and will last for 3 weeks. The Lithuanians will be learning specific skills needed for peacekeeping operations.

The exercises are financed by the U.S. Government in accordance with the Partnership for Peace program. U.S. equipment and armaments will be used at the exercises.

An announcement by the U.S. Embassy in Vilnius says that the Gintaro Slenis 95 exercises will strengthen military cooperation between the United States and Lithuania, and will improve the compatibility of international military forces during peacekeeping operations.

Norwegian Defense Minister Arrives for Talks

LD0808095595

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0900 GMT on 8 August broadcasts a two and a half minute report on Norwegian Defense Minister Jorgen Kosmo and a delegation from the Norwegian Ministry of Defense and Armed Forces who arrived in Vilnius on 8 August.

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According to the broadcast, Kosmo is to meet Lithuanian Prime Minister Adolfas Slezevicius, Minister of Foreign Affairs Povilas Gylys, Minister of National Defense Linas Linkevicius, Lithuanian Parliament's Deputy Chairman Aloyzas Sakalas, and the members of the parliamentary committees for foreign affairs and national security. The Lithuanian and Norwegian agreement on military contacts and cooperation is to be signed.

The Norwegian delegation is to leave for Riga on 9 August, the radio adds.

Peacekeepers May Be Withdrawn From Croatia

LD0708135295 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 7 Aug 95

[FBIS Translated Excerpt] Although the Lithuanian peacekeepers in Croatia are psychologically exhausted, they are all alive and in a good state of health, Lithuanian National Defense Minister Linas Linkevicius told the Baltic News Service correspondent today. [passage omitted]

According to Linkevicius, the mission of the 32 Lithuanian peacekeepers in Croatia had changed, since the Lithuanian detachment, stationed in the village of Tunja [on the territory of the Republic of Serb Krajina] found itself on the territory controlled by the Croats after their attack. The Danish and the Estonian peacekeepers now are on the Croat-controlled territory as well.

Minister Linkevicius said that now the mission of the Lithuanian peacekeepers was to observe the situation and possible violations of human rights on the territory controlled by the Croats and to render humanitarian help to the local population.

Linkevicius did not reject the possibility that, due to the radical change in the situation in Croatia, the Lithuanian peacekeepers may be pulled out before the scheduled date of 19 August. On that date the Lithuanian peacekeepers, who are at present in Croatia, should be replaced by a new 33-strong Lithuanian detachment, currently completing its training in Denmark. In any event, we will coordinate the activities of our peacekeepers with the Danes, the minister said. [passage omitted]

First Quarter Foreign Trade Figures Detailed

WS0708130795 Tallinn BNS in English 2038 GMT 6 Aug 95

[From the "Baltic Business Weekly" feature]

[FBIS Transcribed Text] The Lithuanian foreign trade balance in the first quarter of the year was negative, imports exceeded exports by 525 mln lits, the State Statistics Department reported.

During the first three months of the year Lithuania exported 1,841 mln lits in goods (including 667 mln lits worth of re-exports, or 36 percent of the entire export) and imported 2,366 mln lits in goods (13 mln lits in re-imports, or 0.6 percent).

In comparison to the same period of the previous year exports increased, and the imports reduced. The volume of goods exported this year increased by 173 mln lits, or by 10.4 percent, while it was imported by 196 mln lits, or by 7.6 percent, less than last year.

The share of trade with the CIS countries in the Lithuanian foreign trade reduced this year, statistics say. While in the first quarter of 1994 Lithuanian export to CIS countries accounted to 50.4 percent of the overall exports, it made only 40 percent this year. As for import, the figures are 57.3 percent and 47.3 percent respectively.

On the contrary, the share of trade with EU countries increased: exports rose from 27 to 36 percent, and imports from 29 to 35.8 percent.

Russia still remains Lithuania's biggest trade partner, although the volume of trade decreased sharply during the last year. In the first quarter of this year Lithuania's import to Russia was 22 percent of the whole export, while import was 36 percent.

Nearly half of all the goods exported to Russia consisted of re-exported merchandise. Lithuania sold to Russia 51 percent of all exported foods.

Lithuania imported from Russia mainly fuel, metalls and construction materials.

Germany is Lithuanian's second biggest trade partner. Export and import activities with this country accounted for 14 and 16 percent of Lithuanian foreign trade respectively. In comparison to the first quarter of 1994 the export to Germany increased by 64 percent, and import increased by 16 percent. Re-export to Germany made up one-third of the whole export, or 36 percent.

Belorussia (7 percent of export, 6 percent of import), Latvia (10 and 3.4 percent), Ukraine (6.5 and 3 percent) and Poland (4 and 3.5 percent) were other Lithuania's most important trade partners.

In the first quarter of this year Lithuania exported to other countries mainly textiles (15 percent of the whole export) and chemical industry products (14.6 percent), and imported mineral products (28 percent of the whole import).

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